

**BOARD OF EDUCATION
LACEY TOWNSHIP
COUNTY OF OCEAN, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Prepared by
The School Business Administrator's Staff
Of the Lacey Township Board of Education

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INTRODUCTORY SECTION



LACEY TOWNSHIP SCHOOL DISTRICT

A Tradition Of Pride · A Tradition Of Excellence

VANESSA R. PEREIRA, PH.D.

SUPERINTENDENT OF SCHOOLS

SHARON ORMSBEE

BUSINESS ADMINISTRATOR/BOARD SECRETARY

March 26, 2024

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

Dear Board Members:

It is with pleasure that we submit the annual comprehensive financial report of the Lacey Township Board of Education for the fiscal year ended June 30, 2023. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Lacey Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 auditors 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 the Single Audit Act and Title 2 U.S. Code of Federal Regulations (DFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a comprehensive full range of educational services appropriate to grade levels K through 12. These include regular, as well as special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an average daily enrollment of 3,768 students, which is 189 students below the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last five years.

Enrollment

2017-2018	4,113	-0.51%
2018-2019	4,128	0.36%
2019-2020	4,000	-3.10%
2020-2021	3,991	-0.02%
2021-2022	3,957	-0.85%
2022-2023	3,768	-4.78%

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

Unfortunately, the School Funding Reform Act (S-2) continues to have a negative impact not only on the District, but on the municipality as well. The School Funding Reform Act (S-2) reduced the District's state aid \$586,536 for the 2018-2019 school year, \$623,156 for the 2019-2020 school year, \$1,310,170 for the 2020-2021 school year, \$1,345,629 for the 2021-2022 school year, \$3,251,565 for the 2022-2023 school year, \$3,968,990 for the 2023-2024 school year and \$3,205,902 for the 2024-2025 school year. The total reductions to the District are over \$14 million which have resulted in significant reductions in programs and staff.

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

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

- Replacement of Fire Alarm Systems at all Schools
- HVAC Upgrades at the High School
- Pre-K Renovations at Mill Pond Elementary School
- STEM Room Renovation at the 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 and state awards, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5) 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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

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

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

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

Honorable President and Members of the Board of Education
Lacey Township Board of Education
March 26, 2024

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

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

As of June 30, 2023, the District's outstanding debt issues included \$11,100,000 of general obligation bonds.

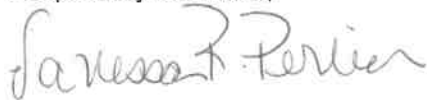
9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the 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 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, cyber and fidelity bonds.

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

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

Respectfully submitted,



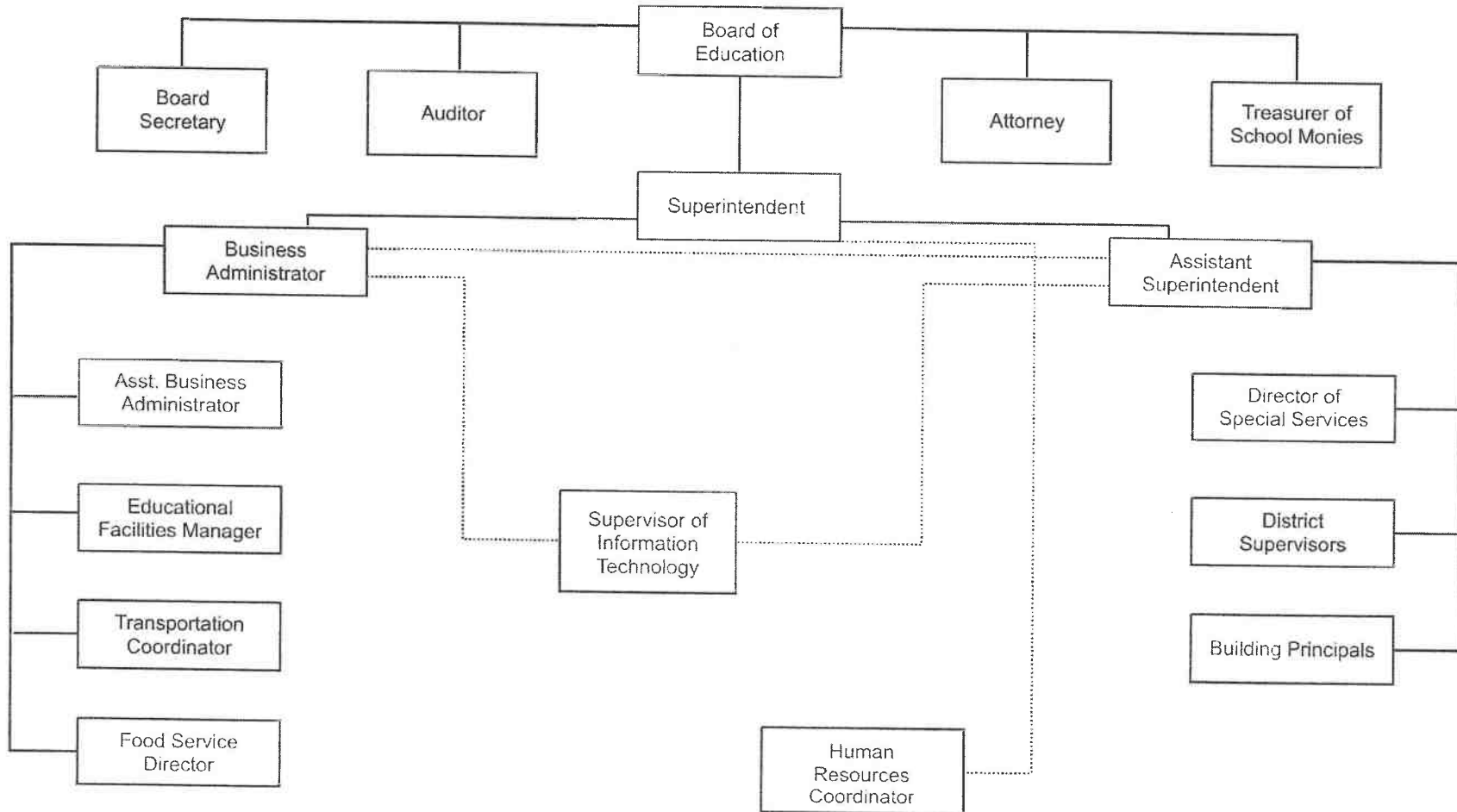
Vanessa P. Pereira, Ph. D.
Superintendent of Schools



Sharon Silvia
Business Administrator/Board Secretary

POLICY 1110
Organizational Chart

Lacey Township School District



**LACEY TOWNSHIP BOARD OF EDUCATION
LANOKA HARBOR, NEW JERSEY**

ROSTER OF OFFICIALS

June 30, 2023

Members of the Board of Education

Term Expires

Frank Palino	12/31/2023
Salvatore Armato	12/31/2024
Linda Downing	12/31/2025
Kim Klaus	12/31/2023
Harold "Skip" Peters	12/31/2024
Cheryl Armato	12/31/2025
Jack Conaty	12/31/2025

Other Officials

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

**LACEY TOWNSHIP BOARD OF EDUCATION
LANOKA HARBOR, NEW JERSEY**

CONSULTANTS AND ADVISORS

JUNE 30, 2023

Audit Firm

Gerard Stankiewicz, CPA, RMA, PSA
Samuel Klein and Company
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Freehold, NJ 07728

Attorney

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Official Depository

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Toms River, NJ 08754

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

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 Lacey Township School District, County of Ocean, State of New Jersey, as of and for the year ended June 30, 2023 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the Lacey Township School District, as of June 30, 2023, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Management's Responsibility for the Financial Statements

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

Auditor's 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 misstatements, 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, *Government Auditing Standards* and auditing standards prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information and schedule of the District's proportionate share of the net pension liability – PERS, schedule of District contributions, schedule of the State's proportionate share of the net pension liability associated with the District – TPAF, the District's proportionate share of the net OPEB Liability – PERS and TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lacey Township School District basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Combining and Individual Fund Financial Statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Combining and Individual Fund Financial Statements, Long-term Debt Schedules and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of the Board of Education of the Lacey Township School District internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 Lacey Township School District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lacey Township School District internal control over financial reporting compliance.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
March 26, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED

Management's Discussion and Analysis

The discussion and analysis of Lacey Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

Overview of Financial Statements-

The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and supplementary information and other information in addition to the basic financial statements themselves.

Financial Highlights

Key financial highlights for 2022-2023 are as follows:

Government-Wide GASB#34

- General revenues accounted for \$84,123,103 in revenue or 92.87% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions, and accounted for \$6,463,292 or 7.13% to total revenues of \$90,586,395.
- Total net position of governmental activities increased by \$3,175,391.
- The School District had \$88,227,879 in expenses, of which only \$6,463,292 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$84,123,103, primarily \$51,985,356 of property taxes and \$27,452,968 of Federal and State aid, were adequate to provide for these programs.

Basic Financial Statements

- The Governmental – General Fund had \$87,673,110 in revenues and \$90,498,749 in expenditures. The General Fund's fund balance decreased \$2,729,683 compared to 2022.

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the Lacey School District, the General Fund is by far the most significant.

Reporting the School District as a Whole

Comparative Statement of Net Position and Comparative Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Comparative Statement of Net Position and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and change to those position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position 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 Comparative Statement of Net Position and the Comparative Statement of Activities, the School District is divided into two kinds of activities:

Governmental Activities — All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business Type Activities — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund is reported as a business activity.

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

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

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 30-33 of this report.

Proprietary Funds

The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program. The basic proprietary fund financial statements can be found on pages 34-36 of this report.

LACEY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 37-87 of this report.

Other Information

Combining fund statements can be found on pages 30-36 and schedules on pages 88-108 of this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of government's financial position.

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

The Statement of Net Position provides the financial perspective of the District as a whole. Table 1 provides a comparative summary of the School District's net position for 2023 and 2022.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred inflows and outflows and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The Government-wide financial statements can be found on pages 28 and 29 of this report.

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the School District's net position for 2023 and 2022.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,715,802 at the close of fiscal 2023. The following table provides a summary of net position at June 30, 2023 and 2022 relating to the District's governmental and business-type activities:

Table 1 – Comparative Summary of Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Assets						
Current and other assets	\$ 13,463,296	\$ 17,899,655	\$ 698,737	\$ 628,669	\$ 14,162,033	\$ 18,528,324
Capital assets, net	37,450,389	37,331,146	74,156	61,793	37,524,545	37,392,939
Total Assets	<u>\$ 50,913,685</u>	<u>\$ 55,230,801</u>	<u>\$ 772,893</u>	<u>\$ 690,462</u>	<u>\$ 51,686,578</u>	<u>\$ 55,921,263</u>
Deferred outflows of resources						
Loss on Defeasance of Bonds	\$ 104,795	\$ 139,727			\$ 104,795	\$ 139,727
Pension	2,081,292	1,577,242			2,081,292	1,577,242
Total Deferred outflows of resources	<u>\$ 2,186,087</u>	<u>\$ 1,716,969</u>			<u>\$ 2,186,087</u>	<u>\$ 1,716,969</u>
Liabilities						
Current and other liabilities	\$ 2,920,550	\$ 4,156,689	\$ 19,900	\$ 20,953	\$ 2,940,450	\$ 4,177,642
Net pension liability	14,206,907	11,175,643			14,206,907	11,175,643
Long-term liabilities outstanding	16,268,311	20,084,377			16,268,311	20,084,377
Total Liabilities	<u>\$ 33,395,768</u>	<u>\$ 35,416,709</u>	<u>\$ 19,900</u>	<u>\$ 20,953</u>	<u>\$ 33,415,668</u>	<u>\$ 35,437,662</u>
Deferred inflow of resources						
Pension	<u>\$ 2,741,194</u>	<u>\$ 7,835,101</u>			<u>\$ 2,741,194</u>	<u>\$ 7,835,101</u>
Net Position						
Net investment in capital assets	\$ 24,523,483	\$ 20,724,642	\$ 74,156	\$ 61,793	\$ 24,597,639	\$ 20,786,435
Restricted	7,785,201	10,685,353			7,785,201	10,685,353
Unrestricted (deficit)	(15,345,875)	(17,714,034)	678,837	607,716	(14,667,038)	(17,106,318)
Total Net Position	<u>\$ 16,962,809</u>	<u>\$ 13,695,960</u>	<u>\$ 752,993</u>	<u>\$ 669,509</u>	<u>\$ 17,715,802</u>	<u>\$ 14,365,469</u>

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

The District's combined net position were \$17,715,802 on June 30, 2023. This is an increase of \$3,258,875 or 22.54% from the prior year.

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, and machinery, equipment and vehicles), less any related debt (bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (namely, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, net increased from the prior year due to the amount of new additions associated with the District's capital projects having exceeded the amount of depreciation of capital assets in the current year.

Long-term liabilities decreased due to the scheduled payment of principal on debt.

Restricted net position increased mainly due to the net increase in the capital reserve and maintenance reserve.

Unrestricted net position increased mainly due to an excess of revenues over anticipated. General fund encumbrances at June 30, 2023 totaled \$795,049 as compared with \$2,532,240 at June 30, 2022.

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Table 2 shows the comparative changes in net position from fiscal year 2023 and 2022.

Table 2 – Comparative Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>	
	<u>2022-2023</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2021-2022</u>
Revenues:						
Program Revenues:						
Charges for Services			\$ 609,484	\$ 86,210	\$ 609,484	\$ 86,210
Operating Grants and Contributions	\$ 4,912,897	\$ 15,842,543	940,911	1,772,457	5,853,808	17,615,000
General Revenue:						
Property Taxes	54,999,971	54,060,948			54,999,971	54,060,948
Federal and State Aid	27,452,968	23,572,273			27,452,968	23,572,273
Miscellaneous	1,670,164	935,825			1,670,164	935,825
Total Revenue	<u>89,036,000</u>	<u>94,411,589</u>	<u>1,550,395</u>	<u>1,858,667</u>	<u>90,586,395</u>	<u>96,270,256</u>
Expenses:						
Instruction	50,233,624	55,293,816			50,233,624	55,293,816
Tuition	1,994,481	2,032,926			1,994,481	2,032,926
Student and Instruction						
Related Services	14,323,531	10,507,443			14,323,531	10,507,443
School Administration	2,435,247	1,920,796			2,435,247	1,920,796
General Administration	3,676,343	3,074,163			3,676,343	3,074,163
Operation and Maintenance					-	
of Facilities	8,055,567	8,072,880			8,055,567	8,072,880
Pupil Transportation	5,241,261	4,278,445			5,241,261	4,278,445
Interest on Debt	780,254	884,036			780,254	884,036
Business Type Activities			1,487,571	1,303,806	1,487,571	1,303,806
Total Expenses	<u>86,740,308</u>	<u>86,064,505</u>	<u>1,487,571</u>	<u>1,303,806</u>	<u>88,227,879</u>	<u>87,368,311</u>
Special and Extraordinary Items, Net	<u>879,699</u>		<u>20,660</u>	<u>-</u>	<u>900,359</u>	<u>-</u>
Change in Net Position	<u>\$ 3,175,391</u>	<u>\$ 8,347,084</u>	<u>\$ 83,484</u>	<u>\$ 554,861</u>	<u>\$ 3,258,875</u>	<u>\$ 8,901,945</u>
Net Position - Beginning	13,695,960	5,563,358	669,509	114,648	14,365,469	5,678,006
Prior Period Adjustment	<u>91,458</u>	<u>(214,482)</u>			<u>91,458</u>	<u>(214,482)</u>
Net Position - Beginning, Restated	<u>13,787,418</u>	<u>5,348,876</u>	<u>669,509</u>	<u>114,648</u>	<u>14,456,927</u>	<u>5,463,524</u>
Net Position - Ending	<u>\$ 16,962,809</u>	<u>\$ 13,695,960</u>	<u>\$ 752,993</u>	<u>\$ 669,509</u>	<u>\$ 17,715,802</u>	<u>\$ 14,365,469</u>

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

General Fund Budgetary Highlights

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described on the next page are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Revenues

- Actual miscellaneous revenue was in excess of the modified budgeted amount by approximately \$280,385 or 67.19% as a result mostly of a refund of refunds and interest earning.

Expenditures

- Total regular programs – instruction final budget was less than the original budget by \$345,561 or 1.72%. Actual expenditures of \$19,664,812 represented 99.88% of budget. The decrease in the budget was caused primarily by less of a need for general supplies.
- Total special education – instruction final budget was more than the original budget by \$955,522 or 10.42%. Actual expenditures of \$10,112,011 represented 99.99% of budget. The increase in the budget was caused by less of a need for salaries.
- Total instructional expenditures final budget was more than the original budget by \$690,768 or 2.24%. Actual total instructional expenditures were \$31,451,851 or 99.84% of the budget. The increase in the budget was caused by an increased need for salaries and purchased services.
- Total undistributed expenditures – other support service students related services – final budget was more than the original by \$144,124 or 14.89%. Actual expenditures were \$1,112,250 or 100% of final budget. The increase in the budget was due to additional student needs.
- Total undistributed expenditures – other support students – student extra services final budget was more than the original by \$56,605 or 22.62%. Actual expenditures were \$306,605 or 100% of final budget. The increase in the budget was due to more required services for students.
- Undistributed – student transportation final budget was more than the original budget by \$460,992 or 15.49% due to higher than anticipated student transportation service costs for special students and student activities. Actual expenditures of \$3,430,709 represented 99.79% of budget.

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Expenditures (Continued)

- Undistributed – other operating and maintenance of plant service expenditures were less than the final budget by \$107,695 or 1.88%, primarily due to lower than anticipated insurance and security. Actual expenditures were \$5,532,911 or 98.82% of the final budget.
- Other support services students – special – final budget was more than the original by \$246,949 or 18.63%. Actual expenditures were \$1,661,206 or 99.90% of the final budget. The increase was due to a higher demand for services.
- Other support services students – regular – final budget was more than the original by \$266,501 or 20.74%. Actual expenditures were \$1,551,436 or 100% of the final budget. The increase was due to a higher demand for services.
- Total undistributed expenditures – tuition – final budget was less than the original by \$64,060 or 3.04%. Actual expenditures were \$1,994,481 or 97.51% of final budget.
- Total undistributed expenditures – unallocated benefits final budget was less than the original by \$292,723 or 1.82% due to lower health benefit costs. Actual expenditures were \$15,757,361 or 99.99% of final budget.
- Total undistributed expenditures final budget was more than the original budget by \$871,802 or 2.31%. Expenditures, net of on-behalf payments, were \$38,442,940 or 99.49% of final budget. This was aided by higher than anticipated costs for additional services for students.
- The general fund current expense portion of the budget as modified (final) was \$1,562,570 or 2.27% more than the adopted budget. Total expenditures net of on-behalf payment was \$69,894,316 or 99.73% of the budget.
- The capital outlay portion of the budget was adjusted based on the needs of the District and various projects are prioritized and as funds become available.
- The general fund budget in total was \$3,754,499 or 5.10% more than the original budget due to additional revenues. Actual expenditures not of on behalf of \$74,687,863 or 97.5%.

LACEY TOWNSHIP SCHOOL DISTRICT

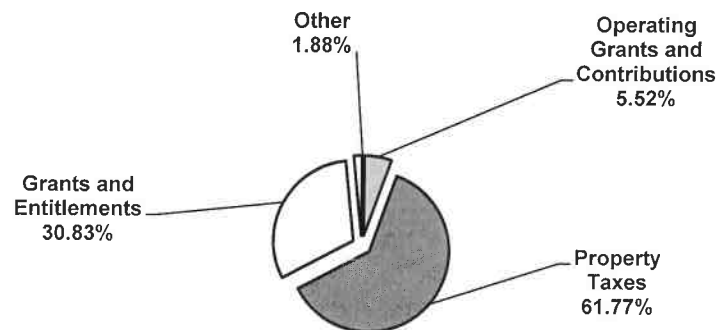
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Governmental Activities

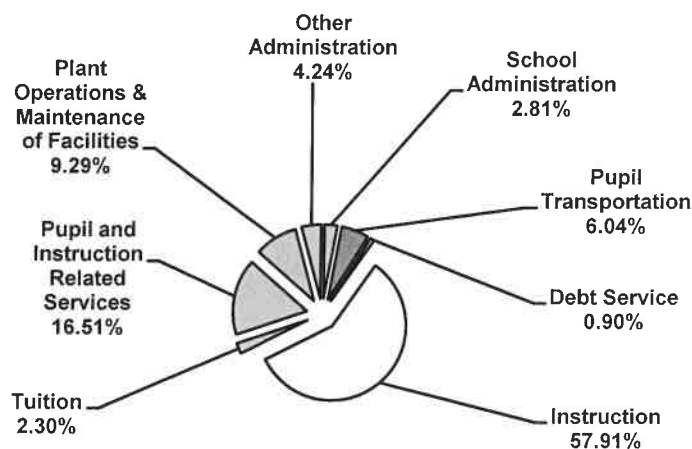
The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of \$54,999,971 made up 61.77% of revenue for governmental activities for the Lacey School District for fiscal year 2023. Federal, state and local grants of \$32,365,865 accounted for another 36.35% of revenue. The District's total revenues were \$89,036,000 for the year ended June 30, 2023.

Revenue for Fiscal Year 2023



Expenses for Fiscal Year 2023

The total cost of all programs and services was \$86,740,308.



LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Business-Type Activities

Food Service

- Revenues for the District's business-type activities for the food service program are comprised of charges for services and federal and state reimbursements.
- Food service revenues exceeded expenditures by \$62,824.
- Charges for services represent \$609,484 or 39.31% of revenue. This represents amounts paid by patrons for daily food service, as well as special functions.
- Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was \$940,911 or 60.69% of revenue.

Governmental Activities

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

Table 3 - Comparative Statement of Activities

	Total Cost of Services				Net Cost of Services		
	<u>2022-2023</u>	<u>2021-2022</u>	<u>% Change</u>		<u>2022-2023</u>	<u>2021-2022</u>	<u>% Change</u>
Regular Instruction	\$ 30,042,892	36,166,982	-16.93%	\$	30,042,892	26,346,690	14.03%
Special Education	17,631,710	16,317,965	8.05%		15,448,612	12,235,803	26.26%
Other Special Education	293,248		100.00%		293,248		100.00%
Other Instruction	2,265,774	2,808,869	-19.34%		2,265,774	2,106,192	7.58%
Tuition	1,994,481	2,032,926	-1.89%		1,994,481	2,032,926	-1.89%
Student and Instruction Related Services	14,323,531	10,507,443	36.32%		11,691,124	9,270,031	26.12%
General and Business Administrative Services	3,676,343	3,074,163	19.59%		3,676,343	3,074,163	19.59%
School Administrative Services	2,435,247	1,920,796	26.78%		2,435,247	1,920,796	26.78%
Plant Operations and Maintenance	8,055,567	8,072,880	-0.21%		8,055,567	8,072,880	-0.21%
Pupil Transportation	5,241,261	4,278,445	22.50%		5,241,261	4,278,445	22.50%
Interest and Other Charges	780,254	884,036	-11.74%		682,862	884,036	-22.76%
Total Expenses	\$ <u>86,740,308</u>	\$ <u>86,064,505</u>	<u>0.79%</u>	\$	<u>81,827,411</u>	\$ <u>70,221,962</u>	<u>16.53%</u>

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Regular 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.

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

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

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School district.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$96,196,157 and expenditures amounted to \$98,942,194.

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 comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2023 and June 30, 2022, and the amount of increase and decreases in relation to prior year revenues.

Comparative Summary of Revenues

Revenue	2022-2023		2021-2022		Increase/ (Decrease) from 2021-2022 to 2022-2023
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 56,709,686	58.95%	\$ 55,069,334	57.29%	\$ 1,640,352
State Sources	35,124,518	36.51%	37,273,166	38.77%	(2,148,648)
Federal Sources	4,361,953	4.54%	3,785,653	3.94%	576,300
	<u>\$ 96,196,157</u>	<u>100.00%</u>	<u>\$ 96,128,153</u>	<u>100.00%</u>	<u>\$ 68,004</u>

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Local revenues increased by \$1,640,352. The increase in local revenue was due primarily to an increase in the tax levy for 2022-2023 of \$939,023 and an increase in miscellaneous revenue of \$608,837.

Federal source revenues increased by \$576,300 due primarily to an increase in COVID related revenue and expenditures.

State source revenues decreased \$2,148,648 due primarily to a decrease in on-behalf payments and offset with an increase in other state aid in the General Fund.

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2023 and June 30, 2022, and the increases and decreases in relation to prior year amounts.

Comparative Summary of Expenditures

Expenditures	2022-2023		2021-2022		Increase/ (Decrease) from 2021-2022 to 2022-2023
	Amount	Percent of Total	Amount	Percent of Total	
Current Expense:					
Instruction	\$ 33,589,532	33.95%	\$ 32,823,288	35.20%	\$ 766,244
Undistributed					
Expenditures	56,931,650	57.54%	53,482,576	57.35%	3,449,074
Capital Outlay	4,686,560	4.74%	3,140,868	3.37%	1,545,692
Debt Service:					
Principal	2,950,000	2.98%	2,895,000	3.10%	55,000
Interest	784,452	0.79%	916,552	0.98%	(132,100)
	<u>\$ 98,942,194</u>	<u>100.00%</u>	<u>\$ 93,258,284</u>	<u>100.00%</u>	<u>\$ 5,683,910</u>

Changes in expenditures were the results of varying factors. Current expense increased due to increased personnel and benefits costs, additional students and capital projects.

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

General Fund Budgeting Highlights

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

Over the course of the year, the District revised via transfer the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line-item accounts.

Capital Assets

At the end of the fiscal year 2023, the School District had \$37,450,388 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

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

	Governmental Activities		Business-Type Activities		Total School District	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Land	\$ 163,472	\$ 163,472			\$ 163,472	\$ 163,472
Building and Building Improvements	25,834,216	27,068,231			25,834,216	27,068,231
Machinery and Equipment	11,015,574	10,099,443	\$ 74,156	\$ 61,793	11,089,730	10,161,236
Right to Use	437,127	641,141			437,127	641,141
Total Capital Assets - Net of Depreciations	<u>\$ 37,450,388</u>	<u>\$ 37,972,287</u>	<u>\$ 74,156</u>	<u>\$ 61,793</u>	<u>\$ 37,524,545</u>	<u>\$ 38,034,080</u>

Refer to Notes to Financial Statements (Note 6) for more detailed information.

Overall Governmental Activities capital assets decreased by \$521,899 from fiscal year 2022 to fiscal year 2023. The decrease in capital assets is due to deletions of assets and depreciation in excess of additions.

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Debt Administration

At the end of the fiscal year 2023, the School District had noncurrent outstanding debt as follows:

Table 5 – Debt Administration

	June 30,	
	<u>2023</u>	<u>2022</u>
Compensated Absences	\$ 3,236,611	\$ 3,338,146.00
Serial Bonds	11,100,000	14,050,000
Lease Obligations	354,333	637,015
Subscription Obligations	<u>68,284</u>	<u></u>
Totals	<u>\$ 14,759,228</u>	<u>\$ 18,025,161</u>

Refer to Notes to Financial Statements (Note 7) for more detailed information.

For the Future

The District continues to be proactive and takes great pride in the positive physical environment of our facilities to ensure healthy, safe and secure schools. In late 2023 the District was awarded Schools Development Authority Section 15 Grant funds (Regular Operating Grants) for roof repairs and HVAC control upgrades at district schools, including, Lacey Township High School and Lacey Township Middle School.

The District has plans to move forward with the repairs to the Lacey Township High School roof but to wait on the HVAC upgrades at the Lacey Township Middle School. The District was also awarded a Preschool Facilities Upgrade Grant that we will be moving forward in 2024. The Preschool upgrades will be at the Mill Pond School. The District continues to update the facilities in the most cost effective way possible.

The Lacey Township School District has committed itself to financial excellence for many years. The district systems for financial planning, budgeting, and internal financial controls are well-tested and highly regarded. The school district is unwavering in its practice of sound fiscal management to meet the challenges of the future.

LACEY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

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. Questions regarding this report or if additional information is needed, kindly contact the School Business Administrator's Office at the Lacey Township School District, P.O. Box 6016, Lacey Township, NJ 08902.

Respectfully submitted,



Vanessa Pereira, Ph. D.
Superintendent of Schools



Sharon Silvia
Business Administrator/Board Secretary

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,569,590	\$ 641,656	\$ 3,211,246
Receivables - Net	3,366,531	36,192	3,402,723
Inventory		20,889	20,889
Other Current Assets	10,083		10,083
Restricted Cash & Cash Equivalents	7,517,092		7,517,092
Capital Asset, Net			
Nondepreciable	163,472		163,472
Depreciable	36,849,790	74,156	36,923,946
Right to Use	437,127		437,127
Total Assets	<u>\$ 50,913,685</u>	<u>\$ 772,893</u>	<u>\$ 51,686,578</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on Defeasance of Debt	\$ 104,795		\$ 104,795
Pension	2,081,292		2,081,292
	<u>\$ 2,186,087</u>		<u>\$ 2,186,087</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,246,623		\$ 1,246,623
Other Current Liabilities	723,873		723,873
Unearned Revenue	772,716	\$ 19,900	792,616
Accrued Interest	177,338		177,338
Net Pension Liability	14,206,907		14,206,907
Noncurrent Debt:			
Due Within One Year	4,075,412		4,075,412
Due Beyond One Year	12,192,899		12,192,899
Total Liabilities	<u>\$ 33,395,769</u>	<u>\$ 19,900</u>	<u>\$ 33,415,669</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	<u>\$ 2,741,194</u>		<u>\$ 2,741,194</u>
<u>NET POSITION</u>			
Invested in Capital Assets	\$ 24,523,483	\$ 74,156	\$ 24,597,639
Restricted	7,785,201		7,785,201
Unrestricted (Deficit)	(15,345,875)	678,837	(14,667,038)
Total Net Position	<u>\$ 16,962,809</u>	<u>\$ 752,993</u>	<u>\$ 17,715,802</u>

See accompanying notes to financial statements.

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 30,042,892			\$ (30,042,892)		\$ (30,042,892)
Special Education	17,631,710		\$ 2,183,098	(15,448,612)		(15,448,612)
Other Special Education	293,248			(293,248)		(293,248)
Other Instruction	2,265,774			(2,265,774)		(2,265,774)
Support Services:						
Tuition	1,994,481			(1,994,481)		(1,994,481)
Student and Instruction Related Services	14,323,531		2,632,407	(11,691,124)		(11,691,124)
General Administrative Services	3,676,343			(3,676,343)		(3,676,343)
School Administrative Services	2,435,247			(2,435,247)		(2,435,247)
Plant Operations and Maintenance	8,055,567			(8,055,567)		(8,055,567)
Pupil Transportation	5,241,261			(5,241,261)		(5,241,261)
Interest on Long Term Debt	780,254		97,392	(682,862)		(682,862)
Total Governmental Activities	\$ 86,740,308		\$ 4,912,897	\$ (81,827,411)		\$ (81,827,411)
Business-Type Activities:						
Food Service	\$ 1,487,571	\$ 609,484	\$ 940,911		\$ 62,824	\$ 62,824
Total Business-Type Activities	\$ 1,487,571	\$ 609,484	\$ 940,911		\$ 62,824	\$ 62,824
Total Primary Government	\$ 88,227,879	\$ 609,484	\$ 5,853,808	\$ (81,827,411)	\$ 62,824	\$ (81,764,587)
General Revenues						
Property Taxes Levied for:						
General Purposes				\$ 51,985,356		\$ 51,985,356
Debt Service				3,014,615		3,014,615
Federal and State Aid Not Restricted				27,452,968		27,452,968
Miscellaneous Income				1,670,164		1,670,164
Total General Revenues				\$ 84,123,103		\$ 84,123,103
Excess (Deficit) of Revenue over Expenditures				2,295,692	62,824	2,358,516
Special and Extraordinary Items				879,699	20,660	900,359
Change in Net Position				\$ 3,175,391	\$ 83,484	\$ 3,258,875
Net Position - Beginning				13,695,960	669,509	14,365,469
Prior Period Adjustment				91,458		91,458
				13,787,418	669,509	14,456,927
Net Position - Ending				\$ 16,962,809	\$ 752,993	\$ 17,715,802

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,073,954	\$ 495,636	\$ 2,569,590
Intergovernmental Accounts Receivable	1,122,097	2,233,192	3,355,289
Interfunds Receivable	1,572,729		1,572,729
Other Receivables	11,242		11,242
Other Current Assets	10,083		10,083
Restricted Cash and Cash Equivalents	<u>7,517,092</u>		<u>7,517,092</u>
Total Assets	<u>\$ 12,307,197</u>	<u>\$ 2,728,828</u>	<u>\$ 15,036,025</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ 17,856		\$ 17,856
Payroll Deductions and Withholdings Payable	723,873		723,873
Interfunds Payable		\$ 1,572,729	1,572,729
Unearned Revenue	<u>1,200</u>	<u>771,516</u>	<u>772,716</u>
Total Liabilities	<u>\$ 742,929</u>	<u>\$ 2,344,245</u>	<u>\$ 3,087,174</u>
Fund Balances			
Restricted:			
Capital Reserve	\$ 5,548,745		\$ 5,548,745
Maintenance Reserve	501,773		501,773
Unemployment Compensation	281,014		281,014
Student Activities		\$ 282,444	282,444
Scholarship		19,056	19,056
Private Grants		83,084	83,084
Excess Surplus	423,504		423,504
Excess Surplus - Designated for Subsequent Year's Expenditures	645,582		645,582
Assigned:			
Year-end Encumbrances	795,049		795,049
Designated for Subsequent Year's Expenditures	3,078,312		3,078,312
Unassigned	<u>290,288</u>		<u>290,288</u>
Total Fund Balances	<u>\$ 11,564,268</u>	<u>\$ 384,583</u>	<u>\$ 11,948,851</u>
Total Liabilities and Fund Balance	<u>\$ 12,307,197</u>	<u>\$ 2,728,828</u>	<u>\$ 15,036,025</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023

	Total Governmental Funds
Total Fund Balances above	\$ 11,948,851
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of capital assets is \$114,693,627.37 and the accumulated depreciation and amortization is \$77,243,239.04 (see Note 6)	37,450,388
Deferred loss on defeasance of debt, unamortized (see Note 8A)	104,795
Noncurrent liabilities, including bonds, leases subscriptions and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 8)	(16,268,312)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Accrued Interest Payable (Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.)	(177,338)
Accrued Pension Liability (Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year ending June 30th, 2022, however will be raised in the budget for the fiscal year ending June 30th, 2024)	(1,228,767)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (See Note 9)	(14,866,809)
et position of governmental activities (A-1)	\$ <u>16,962,809</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<u>REVENUES</u>				
Local sources:				
Local tax levy	\$ 51,985,356		\$ 3,014,615	\$ 54,999,971
Tuition	235,395			235,395
Transportation Fees	12,545			12,545
Miscellaneous - Unrestricted	698,564	\$ 566,802		1,265,366
Miscellaneous - Restricted	196,409			196,409
Total - Local Sources	\$ 53,128,269	\$ 566,802	\$ 3,014,615	\$ 56,709,686
State Sources	34,445,347	120,686	558,485	35,124,518
Federal Sources	99,494	4,262,459		4,361,953
Total Revenues	\$ 87,673,110	\$ 4,949,947	\$ 3,573,100	\$ 96,196,157
<u>EXPENDITURES</u>				
Current:				
Regular Instruction	\$ 19,664,812			\$ 19,664,812
Special Education Instruction	10,112,011	\$ 2,137,681		12,249,692
Other Special Instruction	191,948			191,948
Other Instruction	1,483,080			1,483,080
Support Services and Undistributed Costs:				
Tuition	1,994,481			1,994,481
Student and Instruction Related Services	7,672,285	2,577,643		10,249,928
Other Administrative Services	2,406,379			2,406,379
School Administrative Services	1,594,010			1,594,010
Plant Operations and Maintenance	5,532,911			5,532,911
Pupil Transportation	3,430,709			3,430,709
Employee Benefits	31,623,051	100,181		31,723,232
Debt Service:				
Principal			\$ 2,950,000	2,950,000
Interest	161,352		623,100	784,452
Capital Outlay	4,631,720	54,840		4,686,560
Total Expenditures	\$ 90,498,749	\$ 4,870,345	\$ 3,573,100	\$ 98,942,194
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	\$ (2,825,639)	\$ 79,602		\$ (2,746,037)
Other Financing Sources/(Uses):				
Subscriptions (Nonbudgeted)	\$ 95,956			\$ 95,956
Total Other Financing Sources/(Uses)	\$ 95,956			\$ 95,956
Net Change in Fund Balances	\$ (2,729,683)	\$ 79,602		\$ (2,650,081)
Fund Balance - July 1	\$ 14,293,951	\$ 230,740		\$ 14,524,691
Prior Period Adjustment		74,241		74,241
	14,293,951	304,981		14,598,932
Fund Balance - June 30	\$ 11,564,268	\$ 384,583		\$ 11,948,851

See accompanying notes to financial statements

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ (2,650,081)

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 depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	\$	1,680,965	
Subscription arrangements		95,956	
Depreciation expense		(2,890,489)	
Lease amortization expense		(371,112)	
Subscription amortization expense		(31,985)	
Miscellaneous adjustments		879,699	
			(636,966)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement activities; issuing debt increases noncurrent liabilities in the statement of net position.

Subscription arrangements			(95,956)
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Governmental funds report the effect of premiums and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the premiums on bonds.

Amortization of premium			589,613
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Governmental funds report the effect of defeasances and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the deferred loss of refunding.

Amortization of deferred loss			(34,932)
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Repayment of 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.

Bonds	2,950,000		
Leases		380,601	
Subscriptions		27,673	
			3,358,274

In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation.

39,130

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

81,242

Net pension obligation related to PERS which is attributable to June 30, 2022 (*measurement date*) not reported in governmental funds; however, it is reported in the statement of activities.

2,525,067

Change in Net Position of Governmental Activities (A-2)	\$	3,175,391	
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See accompanying notes to financial statements

**PROPRIETARY FUNDS –
ENTERPRISE FUNDS**

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

<u>ASSETS</u>	<u>Food Service</u>
Current assets:	
Cash and cash equivalents	\$ 641,656
Accounts receivable:	
State	1,099
Federal	30,051
Other	5,042
Inventories	20,889
	<u>698,737</u>
Total current assets	\$ <u>698,737</u>
Noncurrent assets:	
Furniture, machinery and equipment	\$ 445,282
Less: accumulated depreciation	<u>371,126</u>
Total noncurrent assets	\$ <u>74,156</u>
Total assets	\$ <u><u>772,893</u></u>
 <u>LIABILITIES</u>	
Current Liabilities:	
Deferred Revenue	\$ <u>19,900</u>
Total Liabilities	\$ <u><u>19,900</u></u>
 <u>NET POSITION</u>	
Net investment in capital assets	\$ 74,156
Unrestricted	<u>678,837</u>
Total net position	\$ <u><u>752,993</u></u>

See accompanying notes to financial statements

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities
	<u>Enterprise Fund</u>
	<u>Food Service</u>
<u>OPERATING REVENUES</u>	
Local sources:	
Daily sales - non-reimbursable programs	\$ 581,931
Food items	17,114
Miscellaneous income	<u>10,439</u>
Total operating revenues	\$ <u>609,484</u>
<u>OPERATING EXPENSES</u>	
Cost of sales - reimbursable programs	\$ 431,703
Cost of sales - non-reimbursable programs	243,044
Salaries	704,682
Employee benefits	5,000
Repairs and maintenance	35,849
General supplies	20,002
Equipment	25,392
Depreciation	8,297
Other	<u>13,602</u>
Total operating expenses	\$ <u>1,487,571</u>
Operating income/(loss)	\$ <u>(878,087)</u>
<u>NONOPERATING REVENUES</u>	
State sources:	
State school lunch program	\$ 19,672
State breakfast program	2,081
Federal sources:	
National school lunch program	470,551
National breakfast program	111,371
Supply chain assistance	199,197
Commodities donated	132,493
Local Food for Schools	<u>5,546</u>
Total nonoperating revenues	\$ <u>940,911</u>
Income/(loss) before special and extraordinary items	\$ 62,824
Special and extraordinary items	<u>20,660</u>
Change in net position	\$ 83,484
Total net position - beginning	<u>669,509</u>
Total net position - ending	\$ <u><u>752,993</u></u>

See accompanying notes to financial statements

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Fund
	<u>Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 608,968
Payments to Employees	(704,682)
Payments for Employee Benefits	(5,000)
Payments to Suppliers	<u>(786,844)</u>
Net Cash Provided by/(Used for) Operating Activities	\$ <u>(887,558)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	\$ 21,751
Federal Sources	<u>1,004,989</u>
Net Cash Provided by Noncapital Financing Activities	\$ <u>1,026,740</u>
Net Increase in Cash and Cash Equivalents	\$ 139,182
Balances - Beginning of Year	<u>502,474</u>
Balances/(Overdraft) - End of Year	\$ <u><u>641,656</u></u>
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u>	
Operating Gain/(Loss)	\$ <u>(878,087)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:	
Depreciation	\$ 8,297
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(516)
(Increase)/Decrease in Inventories	(16,199)
Increase/(Decrease) in Accounts Payable	<u>(1,053)</u>
Total Adjustments	\$ <u>(9,471)</u>
Net Cash Provided by/(Used for) by Operating Activities	\$ <u><u>(887,558)</u></u>

See accompanying notes to financial statements

NOTES TO THE FINANCIAL STATEMENTS

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Lacey Township School District (the "District") is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of seven (7) members elected to three (3) year terms. The District provides a full range of educational services appropriate to grade levels kindergarten through twelfth at its six schools. The District had an approximate enrollment at June 30, 2023 of 3,768 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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 noninstructional equipment that are classified in the Capital Outlay subfund. The General Fund also includes the payroll agency, payroll net and unemployment accounts.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes. The Special Revenue Fund also includes the scholarship, student activity and private contribution accounts.

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

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type

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

Enterprise Fund – The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the following:

Food Service: This fund provides for the cafeteria operation in all schools within the school district.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their statement of net position. Their reported fund equity (net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Fund equity (i.e., net position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general noncurrent debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the winter of each year for the general, special revenue, and debt service funds. The budgets are approved and voted on by the Board of Education of the District, submitted to the County office for approval and if determined to be within the allowable tax levy cap and within the allowable appropriation cap, become effective upon the holding of a public hearing and final adoption by the District. In accordance with P.L. 2011, c.202, which became effective January 17, 2012, the district elected to move the annual School Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.). All budget amendments must be approved by School Board resolution and certain others require approved by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America 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.

The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. The amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

Refer to Exhibit C-3 for a reconciliation of the general fund revenue and special revenue fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

F. Encumbrances

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

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

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

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the 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. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded in the enterprise funds. All expenses in the other funds are recorded as expenditures during the year of purchase.

Inventories in the Proprietary Funds 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, 2023.

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

5. Tuition Payable

Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
Land Improvements	10-20 years
Building and Improvements	10-50 years
Furniture and Equipment	5-20 years
Vehicles	5-10 years

8. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription terms.

10. Deferred Outflows/Inflows of Resources

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

11. 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.

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

12. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and bonds payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

13. Deferred Loss on Refunding of Debt

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

14. Net Position

Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

15. Unearned (Deferred) Revenue

Unearned revenue in all funds represents program revenues that have been received but not yet earned. In the case of Food Service Fund, it is unused food distribution and student deposits for purchasing food in a future period.

16. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

17. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB No. 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB No. 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.

Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

- d. Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

18. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

19. Subscriptions Payable

In the district-wide financial statements, subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

20. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

21. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB No. 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded as an accrued arbitrage rebate.

22. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

23. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified and allocated by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

24. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

25. Management Estimates

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

H. Other Accounting Standards

- *GASB Statement 99. Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
- Clarification of provisions in Statement No. 87, *Leases*.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- *Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for accounting for the distribution benefits (SNAP).*
- Disclosures related to nonmonetary transactions.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

GASB Statement 99. (Continued)

Effective Date: The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
 - The requirements related to leases, PPPSs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.
 - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter.
- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Effective Date: The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement 101. Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

I. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2023 through March 26, 2024, the date that the financial statements are 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.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

A. Deposits

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

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

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

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

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

As of June 30, 2023, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts - Interest Bearing	\$ <u>12,252,964</u>
Reconciliation:	
Governmental Funds	\$ 11,611,309
Proprietary Funds	<u>641,656</u>
	\$ <u>12,252,964</u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Allocation of Cash and Cash Equivalents

Unrestricted	\$ 4,735,872
Restricted	<u>7,517,092</u>
	<u>\$ 12,252,964</u>

Custodial Credit Risk – The NJARM accounts are collateralized by U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage (“GUDPA”) as of June 30, 2023 which minimizes credit risk.

B. Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

Custodial Credit Risk – The District had no securities as of June 30, 2023 that would be considered investments as defined by GASB Statement No. 3 as amended by GASB Statement No. 40.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2023 consisted of Federal source, State source, transportation, a local project and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund</u> <u>Financial Statements</u>
General Fund	
State Sources:	
Extraordinary Special Education Aid	\$ 801,340.00
Non-public Transportation	29,846.00
TPAF FICA Reimbursement	114,671.79
ACERS	<u>122,112.00</u>
	<u>1,067,969.79</u>
Local Sources:	
LEA's	<u>54,127.08</u>
	<u>\$ 1,122,096.87</u>
Special Revenue Fund	
Federal Sources:	
Title I Part A	\$ 275,389.88
Title II Part A	31,668.72
Title IV	3,323.61
IDEA Part B Basic	95,280.69
CRSSA Learning Acc.	1.00
CRSSA ESSER II	131,563.00
ARP IDEA Preschool	28,385.28
ARP ESSER	1,287,997.06
ARP Learning Acceleration	316,977.63
ARP Comprehensive	13,162.00
ARP Mental Health	45,000.00
ARP Summer Learning	2,813.75
ARP Emergency	824.30
Non-public Teaching	<u>805.12</u>
	<u>\$ 2,233,192.04</u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)

	Business Type <u>Activities</u>
Proprietary Fund	
Enterprise Fund:	
Federal Sources:	
Breakfast	\$ 7,446.85
Lunch	<u>22,604.51</u>
	<u>\$ 30,051.36</u>
State Sources:	
Breakfast	\$ 149.10
Lunch	<u>950.14</u>
	<u>1,099.24</u>
	<u><u>\$ 31,150.60</u></u>

5. INVENTORY

The value of Federal donated commodities as reflected on Schedule A of \$132,493 (required by the Single Audit Act) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. As of June 30, 2023, the year end food and supplies amount to \$20,889.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

6. CAPITAL ASSETS, NET

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Transfers (Retirements)	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 163,472			\$ 163,472
Total capital assets not being depreciated	<u>163,472</u>	<u>-</u>	<u>-</u>	<u>163,472</u>
Capital assets being depreciated:				
Building and Building Improvements	85,387,713	\$ 133,740	\$ 95,289	85,616,742
Machinery, Equipment and Vehicles	<u>25,083,040</u>	<u>1,547,225</u>	<u>1,374,125</u>	<u>28,004,390</u>
Total at historical cost	<u>110,470,753</u>	<u>1,680,965</u>	<u>1,469,414</u>	<u>113,621,132</u>
Less accumulated depreciation for:				
Building and Building Improvements	(58,319,482)	(1,463,044)		(59,782,526)
Machinery, Equipment and Vehicles	<u>(14,983,597)</u>	<u>(1,427,445)</u>	<u>(577,775)</u>	<u>(16,988,816)</u>
Total accumulated depreciation	<u>(73,303,079)</u>	<u>(2,890,489)</u>	<u>(577,775)</u>	<u>(76,771,342)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>37,167,674</u>	<u>(1,209,524)</u>	<u>891,639</u>	<u>36,849,790</u>
Capital assets being amortized:				
Leases	943,630	115,067	(245,630)	813,067
Subscriptions		<u>95,956</u>		<u>95,956</u>
Total capital assets being amortized	<u>943,630</u>	<u>211,024</u>	<u>(245,630)</u>	<u>909,024</u>
Less accumulated amortization:				
Leases	(302,489)	(371,112)	233,689	(439,912)
Subscriptions		<u>(31,985)</u>		<u>(31,985)</u>
Total capital assets being amortized, net	<u>641,141</u>	<u>(192,073)</u>	<u>(11,941)</u>	<u>437,127</u>
Governmental activities capital assets, net	<u>\$ 37,972,287</u>	<u>\$ (1,401,597)</u>	<u>\$ 879,699</u>	<u>\$ 37,450,388</u>
<u>Business-Type Activities:</u>				
Furniture, machinery and equipment	\$ 468,758		\$ (23,476)	\$ 445,282
Less accumulated depreciation for:				
Furniture, machinery and equipment	<u>(406,965)</u>	<u>(8,297)</u>	<u>44,136</u>	<u>(371,126)</u>
Business type activities capital assets, net	<u>\$ 61,793</u>	<u>\$ (8,297)</u>	<u>\$ 20,660</u>	<u>\$ 74,156</u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

6. CAPITAL ASSETS, NET (CONTINUED)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 1,091,244.80
Special Education Instruction	561,138.31
Other Special Instruction	10,651.63
Other Instruction	82,299.46
Support Services and Undistributed Cost:	
Student and Instruction Related Services	425,752.41
General and Business Administrative Services	133,535.40
School Administrative Services	88,455.21
Plant Operations and Maintenance	307,033.72
Pupil Transportation	<u>190,377.79</u>
Total	<u><u>\$ 2,890,488.73</u></u>

7. UNEARNED REVENUE

Cash receipts that are earmarked for use in subsequent year as of June 30, 2023 is as follows:

General Fund:	
Miscellaneous	\$ <u>1,200</u>
Special Revenue Fund:	
State:	
DCA Recreation	\$ 70,000
SDA Emergent	76,756
Federal:	
ARP Summer Learning	155
ARP Accelerated Learning	75,035
ARP ESSER	137,204
Title I	216,750
Title II	26,399
Title IV	3,960
IDEA Basic	53,649
APP IDEA Preschool	264
ARP IDEA Basic	3,063
CRRSA ESSER	107,612
Digital Divide	<u>669</u>
	<u>\$ 771,516</u>
	<u><u>\$ 772,716</u></u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

8. NONCURRENT (LONG-TERM) DEBT

During the fiscal year ended June 30, 2023 the following changes occurred in liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Noncurrent Portion</u>
<u>Governmental Activities:</u>						
Bonds Payable -						
General Obligation Debt	\$ 14,050,000		\$ 2,950,000	\$ 11,100,000	\$ 2,900,000	\$ 8,200,000
Add: Unamortized						
Premium on Bonds	<u>2,059,216</u>		<u>550,132</u>	<u>1,509,084</u>	<u>589,613</u>	<u>919,471</u>
	16,109,216		3,500,132	12,609,084	3,489,613	9,119,471
<u>Right-of-use Liabilities:</u>						
Leases	637,015	\$ 97,919	380,601	354,333	226,761	127,572
Subscriptions		<u>95,956</u>	<u>27,673</u>	<u>68,284</u>	<u>35,378</u>	<u>32,906</u>
	<u>637,015</u>	<u>193,875</u>	<u>408,274</u>	<u>422,617</u>	<u>262,138</u>	<u>160,478</u>
<u>Compensated</u>						
Absences Payable	<u>3,338,146</u>		<u>101,535</u>	<u>3,236,611</u>	<u>323,661</u>	<u>2,912,950</u>
	<u>\$ 20,084,377</u>	<u>\$ 193,875</u>	<u>\$ 4,009,941</u>	<u>\$ 16,268,312</u>	<u>\$ 4,075,412</u>	<u>\$ 12,192,899</u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds Payable

Bonds payable current outstanding is summarized as follows:

School District Refunding Bonds, Series 2016

The District issued \$16,090,000 of bonds dated January 13, 2016.

Remaining annual maturities range from \$1,465,000 to \$1,515,000 at an interest rate of 5.00% with final maturity on April 1, 2026.

\$ 4,485,000

Redemption: The Bonds of this issue are not subject to redemption prior to their stated maturities.

School District Refunding Bonds, Series 2016A

The District issued bonds dated September 8, 2016 in the amount of \$11,595,000. Remaining annual maturities range from \$660,000 to \$1,440,000 at an interest rate of 4.0% with a final maturity on January 15, 2030.

\$ 6,615,000

Redemption: The bonds of this issue maturing prior to January 15, 2027 are not subject to redemption prior to their stated maturities. The bonds maturing on or after January 15, 2027 shall be subject to redemption at the option of the Board, in whole or in part, on any date on or after January 15, 2026 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

TOTAL:

\$ 11,100,000

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds Payable (Continued)

Debt service requirements on serial bonds payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,900,000	\$ 488,850	\$ 3,388,850
2025	2,945,000	357,700	3,302,700
2026	2,125,000	224,850	2,349,850
2027	660,000	125,200	785,200
2028	760,000	98,800	858,800
	<u>9,390,000</u>	<u>1,295,400</u>	<u>10,685,400</u>
2029	855,000	68,400	923,400
2030	855,000	34,200	889,200
	<u>1,710,000</u>	<u>102,600</u>	<u>1,812,600</u>
Total	\$ <u>11,100,000</u>	\$ <u>1,398,000</u>	\$ <u>12,498,000</u>

Bonds Pledge

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

Continuing Secondary Market Disclosure

The District in conjunction with the issuance of the Bonds has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal years ended June 30, 2023. Bonds are authorized in accordance with State law by the voters of the Municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds Payable (Continued)

Bonds Authorized but Not Issued

As of June 30, 2023 the District had no bonds authorized but not issued.

Defeasance

As a result of the accounting requirement under GASB No. 23/65, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in accounting losses which in conjunction with the premium will be amortized over the remaining life of the respective bond issues using the "straight-line". The Unamortized Loss on Defeasance is as follows:

<u>Refunding Bonds</u>	<u>Amount</u>	<u>Beginning Balance</u>	<u>Amortization</u>	<u>Ending Balance</u>
2016 Series	\$ 348,571	\$ <u>139,727</u>	\$ <u>34,932</u>	\$ <u>104,795</u>

B. Leases

The District executed an agreement on September 1, 2018 to lease copy machines that requires annual payments of \$86,400. There are no variable payment components of the leases. The lease liabilities are measured at an explicit discount rate of 4.782% and have a balance of \$14,314 at June 30, 2023. As a result of the leases, the District has recorded right-of-use assets with a net book value of \$38,356 at June 30, 2023. The recognition of these leases in fiscal year 2022-2023 resulted in a prior period adjustment increasing unrestricted net position in the amount \$17,217.02.

The District executed an agreement on August 15, 2019 to lease vehicles that requires annual payments of \$75,647. There are no variable payment components of the leases. The lease liabilities are measured at an explicit discount rate of 3.50% and have a balance of \$73,086 at June 30, 2023. As a result of the leases, the District has recorded right-of-use assets with a net book value of \$70,000 at June 30, 2023.

The District executed an agreement on April 30, 2020 to lease vehicles that requires annual payments of \$78,233. There are no variable payment components of the leases. The lease liabilities are measured at an explicit discount rate of 2.017% and have a balance of \$76,686 at June 30, 2023. As a result of the leases, the District has recorded right-of-use assets with a net book value of \$75,200 at June 30, 2023.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

B. Leases (Continued)

The District executed an agreement on April 30, 2021 to lease vehicles that requires annual payments of \$64,915. There are no variable payment components of the leases. The lease liabilities are measured at an explicit discount rate of 1.178% and have a balance of \$190,246 at June 30, 2023. As a result of the leases, the District has recorded right-of-use assets with a net book value of \$189,600 at June 30, 2023.

The future minimum lease obligations and the net present value of the future payments, with interest rates ranging from 1.178% to 4.782% at June 30, 2023 are as follows:

Total minimum lease payments remaining	\$ 363,026.33
Less: Amount representing interest	<u>8,693.42</u>
Present value of minimum lease payments	<u><u>\$ 354,332.91</u></u>

Five Years and Thereafter Payments

Principal and interest due on lease obligations outstanding at June 30, 2023 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Leases</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 226,760.74	\$ 6,434.83	\$ 233,195.57
2025	63,412.58	1,502.80	64,915.38
2026	<u>64,159.59</u>	<u>755.79</u>	<u>64,915.38</u>
	<u><u>\$ 354,332.91</u></u>	<u><u>\$ 8,693.42</u></u>	<u><u>\$ 363,026.33</u></u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

C. Subscriptions

The implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, resulted in the recognition of a right-of-use asset of \$95,956 and a subscription liability of \$95,956. Amortization of the subscriptions are included in capital assets.

The District executed an agreement on February 16, 2023 for use of educational software that requires variable payments over a three (3) year period. The subscription liability is measured at an estimated incremental borrowing rate of 2.50% and has a balance of \$68,284 at June 30, 2023. As a result of the subscription, the District has recorded a right-of-use asset with a net book value of \$63,971 at June 30, 2023.

The future minimum subscription obligations and the net present value of the future payments, with an estimated incremental borrowing rate of 2.50% at June 30, 2023 are as follows:

Total minimum subscription payments remaining	\$ 70,900
Less: Amount representing interest	<u>2,616</u>
Present value of minimum subscription payments	<u><u>\$ 68,284</u></u>

Five Years and Thereafter Payments

Principal and interest due on subscription obligations outstanding at June 30, 2023 is as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Subscriptions</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 35,377.50	\$ 1,772.50	\$ 37,150.00
2025	<u>32,906.25</u>	<u>843.75</u>	<u>33,750.00</u>
	<u><u>\$ 68,283.75</u></u>	<u><u>\$ 2,616.25</u></u>	<u><u>\$ 70,900.00</u></u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS

Description of Plans: All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division of Pension issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund.

Teachers' Pension and Annuity Fund (TPAF)

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, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for TPAF:

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

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Description of Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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

Public Employees' Retirement System (PERS)

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PERS:

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

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Description of Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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.

Funding Policy: The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS of employees' annual compensation is 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2023 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

<u>Year Funding June 30,</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>	<u>Employee Contribution</u>
2023	\$ 1,187,141	100%	\$ 551,783
2022	1,104,797	100%	<i>Not Available</i>
2021	1,022,303	100%	<i>Not Available</i>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Funding Policy: (Continued)

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u> <u>June 30</u>	<u>Cost</u> <u>(APC)</u>	<u>APC</u> <u>Contributed</u>	<u>Total</u> <u>On-Behalf of</u>	<u>Employee</u> <u>Contribution</u>	<u>TPAF</u> <u>FICA</u>
2023	None	100%	\$ 10,633,799	\$ 2,356,819	\$ 2,380,419
2022	None	100%	10,821,422	- Not Available -	
2021	None	100%	7,543,417	- Not Available -	

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$10,633,799 to the TPAF for normal pension. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,380,419 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2022 and June 30, 2021 Independent Auditor's Reports dated May 18, 2023 and July 21, 2022, respectively.

The District reported a liability of \$14,206,907 and \$11,175,643 for its proportionate share of the net pension liability as of June 30, 2023 and June 30, 2022, respectively. The net pension liability was measured as of June 30, 2022 and June 30, 2021 (*measurement date*), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and July 1, 2020, which were rolled forward to the respective measurement dates. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined.

	<u>June 30, [Measurement Date]</u>	
	<u>2022</u>	<u>2021</u>
District Proportionate Share	0.0941392381 %	0.0943370928 %
Difference - Increase	(0.0001978547)	

The contribution policy for PERS is set by N.J.S.A. 43.15A and requires contributions by active members and contributing employers. Employee contributions for 2023 were seven and 50/100th percent (7.5%) for PERS. Employer's contributions are actuarially determined annually by the Division of Pensions.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2023, the District recognized pension benefit of \$2,525,067. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 44,017	\$ 2,127,336
Difference between expected and actual experience	102,539	90,425
Net difference between projected and actual earnings on pension plan investments	588,011	
Changes in proportion	117,958	523,433
District contributions subsequent to the measurement date	<u>1,228,767</u>	
Total	\$ <u>2,081,292</u>	\$ <u>2,741,194</u>

The \$1,228,767 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(benefit) as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2024	\$ (1,551,810)
2025	(790,595)
2026	(385,558)
2027	841,141
2028	<u>(1,847)</u>
	<u>(1,888,669.00)</u>

Collective balances of local group are as follows:

	<u>2022</u>	<u>2021</u>
Collective deferred outflows of resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,972,782,878
Collective total pension expense/(benefit)	(1,032,778,934)	(1,599,674,464)
District's proportion (of Local Group)	0.0941392381 %	0.0943370928 %

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

Mortality Rates

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, 2021 valuation were based on the results of an actuarial experience study for one period July 1, 2018 to June 30, 2021.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 *measurement date*) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 (*measurement date*) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	27.00 %	8.12 %
Non-U.S. Developed Market Equity	13.50	8.38
Emerging Market Equity	5.50	10.33
Private Equity	13.00	11.80
Real Estate	8.00	11.19
Real Assets	3.00	7.60
High Yield	4.00	4.95
Private Credit	8.00	8.10
Investment Grade Credit	7.00	3.38
Cash Equivalents	4.00	1.75
U.S. Treasuries	4.00	1.75
Risk Mitigation Strategies	<u>3.00</u>	4.91
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 (*measurement date*). 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.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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, 2022 (*Measurement date*), calculated using the discount rate as disclosed above as well as what the collective net pension 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:

	<u>June 30, 2022 [<i>Measurement Date</i>]</u>		
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$ 18,251,714	\$ 14,206,907	\$ 10,764,613

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at www.state.nj.us/treasury/pensions/pers1.

Teachers Pensions and Annuity Fund (TPAF)

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2022 and June 30, 2021 Independent Auditor's Reports dated May 18, 2023 and July 21, 2022, respectively.

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.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 (*measurement date* of June 30, 2022) was as follows:

Net Pension Liability:	
District's proportionate share	None
State's proportionate share associated with the District	<u>\$ 133,738,968</u>
	<u><u>\$ 133,738,968</u></u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The proportion of the TPAF net pension liability associated with the District was as follows:

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
District Proportionate Share	0.2592120985 %	0.2546570783 %
Difference - Decrease	0.0045550202	

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$3,599,289 for contributions provided by the State.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

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

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2022 *measurement date*) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	27.00 %	8.12 %
Non-U.S. Developed Market Equity	13.50	8.38
Emerging Market Equity	5.50	10.33
Private Equity	13.00	11.80
Real Estate	8.00	11.19
Real Assets	3.00	7.60
High Yield	4.00	4.95
Private Credit	8.00	8.10
Investment Grade Credit	7.00	3.38
Cash Equivalents	4.00	1.75
U.S. Treasuries	4.00	1.75
Risk Mitigation Strategies	3.00	4.91
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 (*measurement date*). The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the most recent fiscal years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2023 (*measurement date June 30, 2022*) calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District 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:

	June 30, 2022 [<i>Measurement Date</i>]		
	At 1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	At 1% Increase <u>8.00%</u>
State's proportionate share of the net pension liability associated with the District	\$ 156,811,782	\$ 133,738,968	\$ 114,303,021

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Group are as follows:

	June 30 [<i>Measurement Date</i>]	
	<u>2022</u>	<u>2021</u>
Deferred outflows of resources	\$ 4,996,491,160	\$ 6,356,228,800
Deferred inflows of resources	19,532,696,776	27,175,330,929
Net pension liability	51,594,415,806	48,075,188,642
Total expenses - non-employer	1,424,884,581	1,159,039,411
District share of liability	0.2592120985 %	0.2546570783 %

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

Data for the OPEB was abstracted from the State of New Jersey Local Education Retired Employees Plan as of June 30, 2022 and June 30, 2021 [*measurement dates*] Independent Auditor's Reports dated September 27, 2023 and January 18, 2023, respectively.

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The 7 State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Three-Year Trend Information for TPAF Medical (Paid on-behalf of the District)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Post-Retirement Medical</u>
2023	\$ 2,793,473
2022	2,528,321
2021	2,363,989

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent.

The District 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. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the board of education level. Note that actual numbers will be published in the NJ State's ACFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>). The portion of the PERS and TPAF OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net OPEB Liability:

Districts proportionate share	None
State's proportionate share associated with the District	<u>\$ 176,223,876</u>
	<u><u>\$ 176,223,876</u></u>

The proportion of the PERS and TPAF OPEB liability that was associated with the District is as follows:

<u>June 30,</u>	
<u>2022</u>	<u>2021</u>
0.3479490288 %	0.3452543712 %

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 (*measurement date*) was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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>
	<i>(based on service years)</i>	<i>(based on service years)</i>
Salary increase	2.75-4.25%	2.75-6.55%

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS), 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. Future disabled retirees was based on the Pub-2010, "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, 2021 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after eight (8) years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight (8) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

The following represents the total nonemployer OPEB liability associated with the District as of June 30, 2022, 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, 2022 [<i>Measurement Date</i>]		
<u>At 1% Decrease (2.54%)</u>	<u>At Discount Rate (3.54%)</u>	<u>At 1% Increase (4.54%)</u>
\$ 207,132,629	\$ 176,223,876	\$ 151,452,056

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following represents the total nonemployer OPEB liability as of June 30, 2022, 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 healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2022 [<i>Measurement Date</i>]		
<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
\$ 145,659,805	\$ 176,223,876	\$ 216,371,640

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

Shown below are details regarding the Total OPEB Liability for the measurement period from June 30, 2021 to June 30, 2022:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2021 <i>Measurement Date</i>	\$ 207,179,038
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 7,759,037
Interest Cost	4,670,127
Changes of Assumptions	(47,273,636)
Gross Benefit Payments	(4,625,899)
Difference between Expected and Actual Experience	8,366,808
Contributions from the Member	<u>148,401</u>
Net Changes	\$ <u>(30,955,162)</u>
Balance as of June 30, 2022 <i>Measurement Date</i>	\$ <u><u>176,223,876</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

The components of the Net OPEB Liability as of June 30, 2022 are as follows:

	<u>[Measurement Date]</u> <u>June 30, 2022</u>
Total OPEB Liability	\$ 176,223,876
Plan Fiduciary Net Position	None
Net OPEB Liability	\$ 176,223,876
Net Position as a Percentage of OPEB Liability	0.0%
OPEB Expense	\$ 2,707,377

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

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

For the year ended June 30, 2023, the board of education recognized OPEB expense of \$2,707,377 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2022 [*measurement date*] under GASB No. 75 prior to any reduction due to the Fiscal Year 2023 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes of Assumptions	\$ 30,499,892	\$ 59,976,980
Differences between Actual and Expected Experience	31,462,952	53,803,187
Changes in Proportion	<u>1,565,200</u>	<u>6,007,858</u>
Sub-total	63,528,044	119,788,025
Contributions made in Fiscal Year Ending 2023		
After June 30, 2022 <i>Measurement Date</i>	<u>None</u>	<u>None</u>
Total	<u>\$ 63,528,044</u>	<u>\$ 119,788,025</u>

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

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense/(revenues) as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2024	\$ (9,509,323)
2025	(9,509,323)
2026	(9,509,323)
2027	(8,218,438)
2028	(4,699,412)
Total Thereafter	<u>(14,814,162)</u>
	<u>(56,259,981)</u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Education Group are as follows:

	June 30,	
	<u>2022</u>	<u>2021</u>
Deferred outflows of resources	\$ 20,104,625,333	\$ 21,546,947,255
Deferred inflows of resources	34,996,842,046	26,769,148,209
Net OPEB liability	50,646,462,966	60,007,650,970
OPEB expense	1,595,653,562	3,527,672,060

Other

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.

11. COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts in accordance with various employment agreements under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absence balance of the governmental funds is reported separately on the Statement of Net Position.

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, 2023 no liability existed for compensated absences in the proprietary fund types.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

12. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or losses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan were as follows:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Employee</u>	<u>Employer</u>
2023	\$ 161,134	\$ 87,891
2022	116,639	87,520
2021	--- Not Available ---	

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

13. DEFERRED COMPENSATION

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

American Financial
Equitable Advisors
The Legend Group

Lincoln Investment Planning
New York Life Insurance Company

14. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

New Jersey Unemployment Compensation Insurance: The District contributes to the State of New Jersey unemployment fund which requires quarterly remittances to the state for the employee share. Benefits, if any, will be paid by the State.

Health Benefits: The Board of Education has procured medical insurance coverage for its employees under the traditional monthly premium plan method. The employees contribute to the cost as well based on salary and premium.

15. INTERFUND BALANCES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2023 which will be liquidated in the normal course of business in the ensuing year:

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ 1,572,729	
Special Revenue Fund		\$ 1,572,729

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

16. RESERVE ACCOUNTS

A. CAPITAL RESERVE

A Capital Reserve Account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board Resolution at year end, if any, Unanticipated Revenue or Unexpended Line Item Appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Balance June 30, 2022	\$ 7,815,555
Contributions from Board	
During year ended June 30, 2023	2,000,000
Less Withdrawals:	
During year ended June 30, 2023	<u>4,266,810</u>
Balance June 30, 2023	<u><u>\$ 5,548,745</u></u>

B. MAINTENANCE RESERVE

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

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at yearend of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four (4) percent of the replacement cost of the school district's school facilities for the current year.

Balance June 30, 2022	\$ 1,151,773
Contributions from Board	
During year ended June 30, 2023	500,000
Less Withdrawals:	
During year ended June 30, 2023	<u>1,150,000</u>
Balance June 30, 2023	<u><u>\$ 501,773</u></u>

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

17. FUND BALANCE APPROPRIATED

General Fund - Of the \$11,564,268 General Fund fund balance at June 30, 2023, \$5,548,745 is restricted for capital reserve, \$501,773 is restricted for maintenance reserve, \$281,014 is restricted for unemployment compensation, \$423,504 is restricted excess surplus, \$645,582 is restricted excess surplus – designated for subsequent year's expenditures, \$795,049 is assigned – for other purposes (encumbrances); \$3,078,312 is assigned – designated for subsequent year's expenditures and \$290,288 is unassigned.

Special Revenue Fund – The \$384,583 Special Revenue Fund fund balance at June 30, 2023, \$282,444 is restricted for student activities, \$19,056 is restricted for scholarships, and \$83,084 is restricted for private grants.

18. CONTINGENT LIABILITIES AND COMMITMENTS

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

B. Pending Litigation – As of the date of this report, in the opinion of the management, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District. There were several matters pending that are being handled by the Board's insurance carrier which should not have any adverse impact.

C. Contractual Commitments

The District has contractual commitments at June 30, 2023 to various vendors, which are recorded in the general fund as fund balance assigned for other purposes in the amount of \$795,049 and in the General Fund.

19. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, 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 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. There was excess surplus of \$645,582 as a result of the 2021-2022 school year and \$423,504 as a result of the 2022-2023 school year.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

20. RECONCILIATION OF FUND BALANCE

The General Fund fund balance is presented on a GAAP basis and a reconciliation to the budgetary basis is as follows:

	<u>Unassigned</u>
Balance on a budgetary basis per General Fund budgetary comparison schedule (Exhibit C-1)	\$ 1,703,024
Less: Allocation of state aid payment not recognized on a GAAP basis - \$1,412,736	<u>1,412,736</u>
	<u>\$ 290,288</u>

21. ECONOMIC DEPENDENCY

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

22. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$24,523.483 indicated as part of the Governmental Activities net position is calculated as follows:

	<u>Amount</u>
Capital assets, net of depreciation	\$ 37,450,389
Bonds payable (used to build or acquire capital assets)	(11,100,000)
Deferred loss on defeasance of debt	104,795
Unamortized deferred premium	(1,509,084)
Lease payable	(354,333)
Subscription payable	<u>(68,284)</u>
	<u>\$ 24,523,483</u>

23. 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. 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.

LACEY TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

23. TAX ABATEMENTS (CONTINUED)

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 provision 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.

The Township of Lacey provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Township of Lacey are for senior citizen housing projects and a technology center. Taxes abated include municipal, local school and county taxes.

The Township of Lacey anticipated revenue of \$170,987 from the annual service charge in lieu of payment of taxes in 2022 had the true amount been levied on these long-term tax exemptions, the school tax due would be substantially higher and a portion of the abatement would have been allocated to the District.

24. SUBSEQUENT EVENT: COVID-19 CORONAVIRUS PANDEMIC

The COVID-19 Coronavirus outbreak in the United States has caused the Governor of the State of New Jersey to mandate closures and a curfew for all nonessential citizens and businesses. The management of the District (which is essential) has evaluated the impact of the situation and has determined that overall there is no adverse impact on its June 30, 2023 financial statements (*audited*). A significant portion of the revenue to support the District operations is state aid and taxation.

25. PRIOR PERIOD ADJUSTMENT

The District implemented GASB No. 87 related to leases being reclassified into the Government-Wide Funds. The reclassification was reflected as a prior period adjustment to the Statement of Activities (A-2), effective July 1, 2022, and no retroactive restatement of the financial statements was done since they are not comparative. The reclassification involved liabilities, capital (fixed) assets (right-of-use) and fund balance with no adverse impact on the financial position of the District.

In the Special Revenue Fund, private contributions were recognized resulting in a prior period adjustment to the B-2 and A-2, effective July 1, 2022. The adjustment involved cash and fund balance with no adverse impact on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 1 of 9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 51,985,356		\$ 51,985,356	\$ 51,985,356	
Tuition	120,800	\$ 7,700	128,500	235,395	\$ (106,895)
Transportation Fees	12,000		12,000	12,545	(545)
Miscellaneous - Unrestricted	385,950	32,229	418,179	698,564	(280,385)
Miscellaneous - Restricted				196,409	(196,409)
Total - local sources	52,504,106	39,929	52,544,035	53,128,269	584,234
State sources:					
Special Education Categorical Aid	2,504,516		2,504,516	2,504,516	
Equalization Aid	11,223,051		11,223,051	11,223,051	
Extraordinary aid	620,000		620,000	801,340	(181,340)
Security Aid	483,794		483,794	483,794	
Transportation Aid	228,519		228,519	228,519	
Stabilization Aid		1,182,330	1,182,330	2,819,533	(1,637,203)
ACERS				265,574	(265,574)
Non Public Transportation Aid				29,846	(29,846)
Securing Our Future				46,224	(46,224)
On behalf - TPAF - Pension Contribution (Non-budgeted)				10,633,799	(10,633,799)
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,793,473	(2,793,473)
On behalf - TPAF - Long-Term Disability Insurance (Non-budgeted)				3,195	(3,195)
Reimbursed TPAF social security contributions (Non-budgeted)				2,380,419	(2,380,419)
Total - state sources	15,059,880	1,182,330	16,242,210	34,213,283	(17,971,073)
Federal sources:					
Medical Assistance Program	52,805		52,805	99,494	46,689
Total - federal sources	52,805		52,805	99,494	46,689
TOTAL REVENUES	\$ 67,616,791	\$ 1,222,259	\$ 68,839,050	\$ 87,441,046	\$ (17,340,150)

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 2 of 9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 875,900	\$ 54,937	\$ 930,837	\$ 930,837	
Grades 1 - 5	6,386,575	292,808	6,679,383	6,677,883	\$ 1,500
Grades 6 - 8	4,255,217	266,211	4,521,428	4,519,553	1,875
Grades 9 - 12	6,745,670	(508,865)	6,236,805	6,234,930	1,875
	18,263,362	105,091	18,368,453	18,363,203	5,250
Regular programs - home instruction:					
Salaries of teachers	117,000	(55,922)	61,078	61,078	
Purchased professional - education services	33,000	(6,913)	26,087	26,087	
Total regular programs - home instruction	150,000	(62,835)	87,165	87,165	
Regular programs - undistributed instruction:					
Other salaries for instruction		137,589	137,589	137,589	
Purchased professional services	338,083	(76,710)	261,373	255,113	6,260
Purchased technical services	140,500	(40,891)	99,609	99,609	
Other purchased services (400-500 Series)	138,600	(68,957)	69,643	68,019	1,624
General supplies	925,162	(317,602)	607,560	602,368	5,192
Textbooks	5,200	(327)	4,873	4,873	
Other objects	72,850	(20,919)	51,931	46,873	5,058
Total regular programs - undistributed instruction	1,620,395	(387,817)	1,232,578	1,214,444	18,134
Total regular programs - instructions	20,033,757	(345,561)	19,688,196	19,664,812	23,384
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	1,334,274	87,343	1,421,617	1,421,117	500
Other salaries for instruction	630,913	298,376	929,289	929,164	125
Purchased professional - educational services		779	779	779	
General supplies	18,875	1,852	20,727	20,727	
Textbooks	1,500	(1,133)	367	367	
Other Objects	3,310	(2,921)	389	389	
Total learning and/or language disabilities	1,988,872	384,296	2,373,168	2,372,543	625
Behavioral Disabilities:					
Salaries of teachers	437,722	(114,106)	323,616	323,616	
Other salaries for instruction	221,886	305	222,191	222,191	
General Supplies	3,775	(815)	2,960	2,025	935
Textbooks	550	(550)			
Other Objects	2,000	(2,000)			
Total Behavioral Disabilities	665,933	(117,166)	548,767	547,832	935

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 3 of 9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Multiple Disabilities:					
Salaries of teachers	\$ 440,810	\$ 11,870	\$ 452,680	\$ 452,680	
Other salaries for instruction	466,471	82,474	548,945	544,654	\$ 4,291
Purchased professional services		509	509	475	34
General supplies	7,000	(1,829)	5,171	4,411	760
Textbooks	1,500	(1,307)	193	193	
Other Objects	3,000	(2,683)	317	317	
Total Multiple Disabilities	918,781	89,034	1,007,815	1,002,730	5,085
Resource room/resource center:					
Salaries of teachers	3,556,377	69,101	3,625,478	3,624,478	1,000
Other salaries for instruction	510,601	(93,100)	417,501	417,376	125
Purchased professional services		335	335	335	
Other Purchased services	750	(750)			
General supplies	10,830	(2,079)	8,751	8,472	279
Other Objects	550	(550)			
Total resource room/resource center	4,079,108	(27,043)	4,052,065	4,050,661	1,404
Autism:					
Salaries of teachers	359,439	131,319	490,758	490,643	115
Other salaries for instruction	573,394	99,226	672,620	672,620	
General Supplies	5,875	(356)	5,519	5,420	99
Textbooks	500	(500)			
Other Objects	850	(850)			
Total Autism	940,058	228,839	1,168,897	1,168,683	214
Preschool disabilities - full time					
Salaries of teachers	456,000	46,015	502,015	502,015	
Other salaries for instruction	8,500	391,442	399,942	399,942	
General supplies	6,750	(2,525)	4,225	4,225	
Other Objects	1,800	(1,800)			
Total preschool disabilities-full-time	473,050	433,132	906,182	906,182	
Home Instruction:					
Salaries of teachers	78,000	(39,078)	38,922	38,922	
Purchased professional-educational services	22,000	3,508	25,508	24,458	1,050
Total home instruction	100,000	(35,570)	64,430	63,380	1,050
Total special education - instruction	9,165,802	955,522	10,121,324	10,112,011	9,313
Bilingual education - Instruction:					
Salaries of teachers	169,500	22,631	192,131	191,948	183
Total bilingual education - Instruction	169,500	22,631	192,131	191,948	183

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 4 of 9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
School sponsored co/extra - curricular activities - Instructions:					
Salaries	\$ 381,688	\$ 46,161	\$ 427,849	\$ 427,849	
Purchase services (300-500 Series)		300	300	300	
Supplies and materials	23,950	(13,246)	10,704	9,144	\$ 1,560
Other objects	15,650	2,253	17,903	16,282	1,621
Total school sponsored co/extra - curricular activities - Instruction	421,288	35,468	456,756	453,575	3,181
School sponsored athletics - Instruction:					
Salaries	765,353	30,045	795,398	795,398	
Purchased services (300-500 Series)	171,400	(19,519)	151,881	151,232	649
Supplies and materials	45,572	13,448	59,020	48,171	10,849
Other objects	36,200	(1,266)	34,934	34,704	230
Total school sponsored athletic activities	1,018,525	22,708	1,041,233	1,029,505	11,728
Total special programs	1,609,313	80,807	1,690,120	1,675,028	15,092
Total instructional programs	30,808,872	690,768	31,499,640	31,451,851	47,789
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular		17,107	17,107	17,107	
Tuition to other LEAs within the state - special	268,998	50,892	319,890	319,890	
Tuition to county vocational school district - special	211,200	(2,560)	208,640	208,640	
Tuition to CSSD and regular day schools	255,530	77,978	333,508	323,219	10,289
Tuition to private schools-disabled within the state	1,333,481	(207,477)	1,126,004	1,085,355	40,649
Tuition - state facilities	40,270		40,270	40,270	
Total undistributed expenditures - instruction	2,109,479	(64,060)	2,045,419	1,994,481	50,938
Attendance and social work:					
Salaries	224,007	26,266	250,273	250,273	
Total attendance and Social Work	224,007	26,266	250,273	250,273	
Health services:					
Salaries	556,402	(50,959)	505,443	505,443	
Purchased professional and technical services	262,500	37,262	299,762	299,379	383
Supplies and materials	11,873	1,131	13,004	13,000	4
Total health services	830,775	(12,566)	818,209	817,822	387
Other support services - student-related services:					
Salaries	470,075	31,745	501,820	501,820	
Purchased professional - educational services	497,000	112,547	609,547	609,547	
Supplies and materials	1,051	(168)	883	883	
Total other support services - student-related services	968,126	144,124	1,112,250	1,112,250	

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 5 of 9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Other support services - student extra services					
Salaries	\$ 250,000	\$ 56,605	\$ 306,605	\$ 306,605	
Total other support services - student-extra services	250,000	56,605	306,605	306,605	
Other support services - students - regular:					
Salaries of other professional staff	1,093,651	325,146	1,418,797	1,418,797	
Salaries of secretarial & clerical assistants	106,696	8,613	115,309	115,309	
Purchased professional - educational services	80,500	(64,019)	16,481	16,481	
Supplies and materials	4,088	(3,239)	849	849	
Total other support services - students - regular	1,284,935	266,501	1,551,436	1,551,436	
Other support services - students - special:					
Salaries of other professional staff	1,039,877	2,874	1,042,751	1,042,751	
Salaries of secretarial & clerical assistants	121,313	7,434	128,747	128,747	
Purchased professional - educational services	254,000	236,641	490,641	489,708	\$ 933
Total other support services - students - special	1,415,190	246,949	1,662,139	1,661,206	933
Improvement of instructional services:					
Salaries of supervisors of instruction	790,856	1,427	792,283	792,283	
Salaries of other professional staff	239,724	78,203	317,927	317,927	
Salaries of secretarial & clerical assistants	83,589	12,601	96,190	96,190	
Purchased professional - educational services	370,423	(47,664)	322,759	322,258	501
Supplies and materials	54,667	(8,867)	45,800	45,799	1
Total improvement of instructional services	1,539,259	35,700	1,574,959	1,574,457	502
Educational media services/school library:					
Salaries	326,143	1,961	328,104	328,104	
Purchased professional and technical services	25,500	(1,999)	23,501	23,501	
Supplies and materials	19,826	(15,569)	4,257	4,257	(0)
Total educational media services/school library	371,469	(15,607)	355,862	355,862	(0)
Instructional staff training services:					
Other purchased services (400-500 Series)	49,031	(3,738)	45,293	42,374	2,919
Total instructional staff training services	49,031	(3,738)	45,293	42,374	2,919

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 6 of 9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Support services - general administration:					
Salaries	\$ 544,232	\$ (2,202)	\$ 542,030	\$ 542,030	
Legal services	90,000	86,084	176,084	139,226	\$ 36,858
Audit fee	29,450		29,450	29,450	
Other purchased professional services	23,010	14,333	37,343	37,343	
Communications/telephone	222,635	(6,259)	216,376	216,376	
BOE other purchased services	2,500	(400)	2,100	2,100	
Other purchased services (400-500)	185,537	(20,811)	164,726	164,726	
General supplies	11,504	726	12,230	11,718	512
Miscellaneous expenditures	10,167	1,006	11,173	11,101	72
BOE membership dues and fees	28,000	(740)	27,260	27,260	
Total support services - general administration	1,147,035	71,737	1,218,772	1,181,330	37,442
Support services - school administration:					
Salaries of principals/assistant principals	1,232,832	(23,392)	1,209,440	1,209,440	
Salaries of secretarial and clerical assistants	335,334	28,302	363,636	363,636	
Supplies and materials	23,825	(2,891)	20,934	20,934	
Total support services - school administration	1,591,991	2,019	1,594,010	1,594,010	
Central services:					
Salaries	478,534	(4,649)	473,885	473,885	
Purchased professional services	45,355	493	45,848	45,848	
Purchased technical services	4,350	6	4,356	3,866	490
Supplies and materials	6,044	2,097	8,141	8,141	
Other Objects	9,220	18,544	27,764	9,145	18,619
Total central services	543,503	16,491	559,994	540,885	19,109
Admin. Info. technology:					
Salaries	572,498	28,566	601,064	601,064	
Purchased technical services	86,123	(3,023)	83,100	83,100	
Total admin. Info. technology	658,621	25,543	684,164	684,164	
Required maintenance for school facilities:					
Salaries	299,174	11,582	310,756	310,256	500
Cleaning, repair and maintenance services	257,510	(65,940)	191,570	136,744	54,826
Lead Testing of Drinking Water					
General supplies	187,480	71,165	258,645	254,189	4,456
Other objects	525	(400)	125	125	
Total required maintenance for school facilities	744,689	16,407	761,096	701,314	59,782

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 7 of 9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Other operation and maintenance of plant:					
Salaries	\$ 2,429,271	\$ (3,573)	\$ 2,425,698	\$ 2,424,540	\$ 1,158
Salaries of non-instructional aids	203,292	(29,866)	173,426	173,426	
Purchased professional and technical services		24,000	24,000	24,000	
Cleaning, repair and maintenance services	145,000	(3,991)	141,009	140,559	450
Other purchased property services	54,825	8,825	63,650	63,650	
Insurance	631,729	(117,957)	513,772	513,772	
Travel	500	(500)			
General supplies	113,500	3,163	116,663	115,881	782
Energy (Natural Gas)	329,874	47,391	377,265	377,264	1
Energy (Electricity)	460,251	(1,669)	458,582	458,582	
Total other operation and maintenance of plant	4,368,242	(74,177)	4,294,065	4,291,674	2,391
Care and upkeep of grounds					
Salaries	232,970	(21,906)	211,064	210,564	500
Cleaning, repair and maintenance services	29,500	7,924	37,424	34,807	2,617
General supplies	66,600	(39,933)	26,667	26,009	(658)
Total care and upkeep of grounds	329,070	(53,915)	275,155	271,380	2,459
Security:					
Salaries	247,053	(28,522)	218,531	218,531	
Purchased technical services	13,500	36,224	49,724	49,724	
Cleaning, repair and maintenance services	4,000	(3,712)	288	288	
Total security	264,553	3,990	268,543	268,543	
Total operation and maintenance of plant services	5,706,554	(107,695)	5,598,859	5,532,911	64,632
Student transportation services:					
Salaries of Transportation Aides	57,656	(15,828)	41,828	41,828	
Salaries of Pupil transportation (between home and school) - regular	1,222,533	91,540	1,314,073	1,314,073	
Salaries of Pupil transportation (not home and school) - activities	511,500	176,350	687,850	687,850	
Other purchased professional and technical services	29,728	(11,398)	18,330	17,330	1,000
Cleaning, repair and maintenance services	13,000	(8,236)	4,764	4,764	
Contracted services - aid in lieu of payments - nonpublic schools	80,000	(5,923)	74,077	74,077	
Contracted services (special education students) - ESC's and CTSA's	559,044	235,793	794,837	788,795	6,042
Miscellaneous Purchases Services - Transportation	115,678	(13,679)	101,999	101,999	
General Supplies	3,893	(1,483)	2,410	2,410	
Transportation Supplies	358,149	14,926	373,075	372,953	122
Miscellaneous expenditures	25,700	(1,070)	24,630	24,630	
Total student transportation services	2,976,881	460,992	3,437,873	3,430,709	7,164
Student Transportation Services - Employee Benefits					
Unused Sick and Vacation	39,540	15,264	54,804	54,804	
Total student transportation services - employee benefits	39,540	15,264	54,804	54,804	

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 8 of 9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Unallocated benefits - Employee benefits:					
Group Insurance		\$ 981	\$ 981	\$ 981	
Social security contribution	\$ 1,046,420	118,887	1,165,307	1,165,307	
Other retirement contributions - PERS	1,211,942	(24,801)	1,187,141	1,187,141	
Other retirement contributions - regular	102,375	18,206	120,581	120,581	
Unemployment compensation	95,000	(64,400)	30,600	30,599	\$ 1
Workmen's compensation	583,258	(14,735)	568,523	568,523	
Health benefits	11,899,430	(213,500)	11,685,930	11,685,930	
Tuition reimbursement	129,625	(53,254)	76,371	71,767	4,604
Other employee benefits	516,397	46,374	562,771	557,770	5,001
Unused Sick Pay to Terminated/Retired Staff	475,244	(106,481)	368,763	368,762	(1)
Total unallocated benefits	16,059,691	(292,723)	15,766,968	15,757,361	9,605
On behalf - TPAF - Pension Contribution (Non-budgeted)				10,633,799	10,633,799
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,793,473	2,793,473
On behalf - TPAF - Long-Term Disability Insurance (Non-budgeted)				3,195	3,195
Reimbursed TPAF social security contributions (Non-budgeted)				2,380,419	2,380,419
Total on behalf - Contributions				15,810,886	15,810,886
Total personal services - employee benefits	16,099,231	(277,459)	15,821,772	31,623,051	15,820,491
Total undistributed expenditures	37,766,087	871,802	38,637,889	54,253,826	16,004,516
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 68,574,959	\$ 1,562,570	\$ 70,137,529	\$ 85,705,677	\$ 16,052,305
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1-5		\$ 142,284	\$ 142,284	\$ 142,283	\$ 1
Grades 9-12		2,280	2,280	2,254	26
School sponsored and other instructional program					
Undistributed expenditures:					
Instruction	\$ 28,980	(28,917)	63		63
Admin info tech		66,866	66,866	66,866	
School fac equipment		26,421	26,421	25,764	657
Grounds Equipment		27,426	27,426	26,590	836
School buses - regular		421,672	421,672	416,927	4,745
	28,980	658,032	687,012	680,684	6,328
Facilities acquisition and construction services:					
Architect & Engineering services	822,399	19,926	842,325	474,171	368,154
Construction services	3,203,010	1,513,971	4,716,981	3,380,909	1,336,072
Assessment for Debt Service on SDA Funding	161,352		161,352	161,352	
Total facilities acquisition and construction services	4,186,761	1,533,897	5,720,658	4,016,432	1,704,226

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 9 of 9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY: (CONTINUED)					
Assets acquired under subscription arrangements (nonbudgeted):					
Support - CST				\$ 95,956	\$ (95,956)
TOTAL EXPENDITURES - CAPITAL OUTLAY	\$ 4,215,741	\$ 2,191,929	\$ 6,407,670	\$ 4,793,072	\$ 1,614,598
TOTAL GENERAL FUND EXPENDITURES	\$ 72,790,700	\$ 3,754,499	\$ 76,545,199	\$ 90,498,749	\$ 17,666,903
Excess/(deficiency) of revenues over/(under) expenditures	\$ (5,173,909)	\$ (2,532,240)	\$ (7,706,149)	\$ (3,057,703)	\$ 4,648,446
Other financing sources/(uses):					
Financed purchases (nonbudgeted)				\$ 95,956	\$ (95,956)
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (5,173,909)	\$ (2,532,240)	\$ (7,706,149)	\$ (2,961,747)	\$ 4,744,402
Fund balance, July 1	\$ 15,938,751		\$ 15,938,751	\$ 15,938,751	
Fund balance, June 30	\$ 10,764,842	\$ (2,532,240)	\$ 8,232,602	\$ 12,977,004	\$ 4,744,402
Capital Reserve appropriated per Budget	\$ 3,766,810				
Maintenance Reserve appropriated per Budget	650,000				
Fund Balance Appropriated	757,099				
	\$ 5,173,909				
Detail of budget transfers:					
Prior year-end encumbrances		\$ 2,532,240			
Recapitulation of fund balance:					
Restricted:					
Capital Reserve			\$ 4,735,344		
Capital Reserve - Designated for subsequent year's expenditures			813,401	\$ 5,548,745	
Maintenance Reserve			1,773		
Maintenance Reserve - Designated for subsequent year's expenditures			500,000	501,773	
Unemployment Reserve				281,014	
Excess Surplus (24-25)				423,504	
Reserve for Excess Surplus - Designated for subsequent year's expenditures			645,582		
Assigned - Designated for subsequent year's expenditures			3,078,312	3,723,894	
Assigned - Year-end encumbrances				795,049	
Unassigned Fund Balance (2%)				1,703,024	
Reconciliation to governmental funds statements (GAAP):				12,977,004	
Less: Last Two (2) State Aid Payments not recognized on GAAP basis				1,412,736	
Fund balance per governmental funds (GAAP)				\$ 11,564,268	

LACEY TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Revenues</u>				
State Sources:				
Local Recreation Improvement Grant	\$ 70,000	\$ 70,000	\$ 70,000	-
Climate Change	6,660	6,660	6,000	\$ 660
SDA Grant	94,046	94,046	73,320	20,726
Total State Sources	<u>\$ 170,706</u>	<u>\$ 170,706</u>	<u>\$ 149,320</u>	<u>\$ 21,386</u>
Federal Sources:				
Title I	\$ 880,296	\$ 880,296	\$ 780,938	\$ 99,358
Title II, Part A	145,088	145,088	127,621	17,466
Title III	2,567	2,567		2,567
Title IV	83,441	83,441	42,295	41,145
CRRSA- ESSER II	499,462	499,462	499,462	-
CRRSA Learning Acceleration	44,045	44,045	44,045	-
CRRSA Mental Health	38,925	38,925	38,925	-
I.D.E.A. Part B, Basic	1,071,713	1,071,713	1,068,068	3,645
I.D.E.A. Part B, Preschool	42,853	42,853	37,992	4,861
ARP I.D.E.A Part B, Basic	119,887	119,887	71,529	48,358
ARP Preschool	23,889	23,889	23,863	26
ARP ESSER III	3,778,650	3,778,650	566,507	3,212,143
ARP Acc Learning	345,741	345,741	316,978	28,763
ARP Summer Learning	38,743	38,743	2,317	36,426
ARP Homeless	23,054	23,054	23,054	-
ARP Comprehensive	15,102	15,102	14,132	970
ARP Mental Health	45,000	45,000	824	44,176
Nonpublic Teaching	17,333	17,333	1,733	15,600
Digital Divide	-		721	(721)
Total Federal Sources	<u>\$ 7,215,788</u>	<u>\$ 7,215,788</u>	<u>\$ 3,661,004</u>	<u>\$ 3,554,783</u>
Local Sources:				
Student Activities	\$ 635,611	\$ 635,611	\$ 421,060	\$ 214,551
Scholarships	48,106	48,106	31,917	16,189
Private Grants	210,354	210,354	95,750	114,604
Total Local Sources	<u>\$ 894,072</u>	<u>\$ 894,072</u>	<u>\$ 548,727</u>	<u>\$ 345,344</u>
Total Revenues	<u>\$ 8,280,565</u>	<u>\$ 8,280,565</u>	<u>\$ 4,359,051</u>	<u>\$ 3,921,514</u>

LACEY TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures</u>				
Instruction:				
Salaries of Teachers	\$ 2,229,209	\$ 2,229,209	\$ 1,031,711	\$ 1,197,498
Salaries of Supervisors for Instruction	326,139	326,139	243,495	82,644
Purchased Professional and Technical Services	230,443	230,443	155,446	74,997
Other Purchased Services	588,929	588,929	556,101	32,828
General Supplies	224,966	224,966	149,948	75,018
Total Instruction	<u>\$ 3,599,686</u>	<u>\$ 3,599,686</u>	<u>\$ 2,136,702</u>	<u>\$ 1,462,984</u>
Support Services:				
Salaries	\$ 576,471	\$ 576,471	\$ 240,815	\$ 335,656
Salaries of Other Professional Staff	37,024	37,024	24,750	12,274
Personnel Services- Employee Benefits	1,616,297	1,616,297	611,378	1,004,919
Purchased Professional and Technical Services	630,597	630,597	551,012	79,585
Other Purchased Services	219,647	219,647	100,874	118,773
Supplies and Materials	166,153	166,153	67,989	98,164
Other Objects	894,072	894,072	477,388	416,684
Travel	39,646	39,646	21,244	18,402
Total Support Services	<u>\$ 4,179,907</u>	<u>\$ 4,179,907</u>	<u>\$ 2,095,449</u>	<u>\$ 2,084,458</u>
Total Expenditures	<u>\$ 7,779,593</u>	<u>\$ 7,779,593</u>	<u>\$ 4,232,152</u>	<u>\$ 3,547,441</u>
Facilities Acquisition and Construction Services				
Instructional Equipment	<u>500,972</u>	<u>\$ 500,972</u>	<u>\$ 54,840</u>	<u>\$ 446,132</u>
Total Outflows	<u>\$ 8,280,565</u>	<u>\$ 8,280,565</u>	<u>\$ 4,286,992</u>	<u>\$ 3,993,573</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 72,060</u>	<u>\$ (72,059)</u>
Fund Balance, July 1			\$ 230,740	
Prior Period Adjustment			<u>74,241</u>	
Fund Balance, July 1, Restated			304,981	
Fund Balance, June 30			<u>\$ 377,041</u>	
Recapitulation:				
Restricted:				
Private Grants			\$ 76,112	
Scholarships			19,056	
Student Activities			<u>281,873</u>	
Total Fund Balance			<u>\$ 377,041</u>	

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

		<u>General</u> <u>Fund</u>		<u>Special</u> <u>Revenue</u> <u>Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$	87,441,046	C-2 \$	4,359,051
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Current Year				(752,439)
Prior Year				1,343,335
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,734,223		
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,412,736)		
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis		<u>(89,423)</u>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$	<u>87,673,110</u>	B-2 \$	<u>4,949,947</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$	90,498,749	C-2 \$	4,286,992
Difference - Budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Current Year		None		(759,982)
Prior Year		<u>None</u>		<u>1,343,335</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$	<u>90,498,749</u>	B-2 \$	<u>4,870,345</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS AND OPEB**

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

<u>Year</u>	<u>District's Proportion of Net Pension Liability</u>	<u>District's Proportionate Share of Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportionate Share of Net Pension Liability (Asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2023	0.094139238 %	\$ 14,206,907	\$ 6,692,863	212.27 %	62.91 %
2022	0.094337093	11,175,643	6,805,617	164.21	70.33
2021	0.093450652	15,239,357	6,867,930	221.89	58.32
2020	0.097082525	17,492,798	6,605,274	264.83	56.27
2019	0.099197740	19,531,540	6,820,621	286.36	46.10
2018	0.100770925	23,457,861	7,215,297	325.11	48.10
2017	0.102122871	30,245,865	7,070,140	427.80	40.14
2016	0.107494060	23,747,948	6,984,405	340.01	47.93
2015	0.107942937	21,084,642	N/A	N/A	52.08
2014	0.101753521	19,447,120	N/A	N/A	48.72

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate of 7.0% remained the same as of June 30, 2021 and June 30, 2022.

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered-Employee Payroll</u>	<u>Contributions as Percentage of Covered-Employee Payroll</u>
2023	\$ 1,187,141	\$ 1,187,141	None	\$ 7,361,019	16.13 %
2022	1,104,797	1,104,797	None	6,692,863	16.51
2021	1,022,303	1,022,303	None	6,805,617	15.02
2020	944,327	944,327	None	6,867,930	13.75
2019	986,697	986,697	None	6,605,274	14.94
2018	933,535	933,535	None	6,820,621	13.69
2017	907,245	907,245	None	7,215,297	12.57
2016	874,772	874,772	None	7,070,140	12.37
2015	889,866	889,866	None	6,984,405	12.74
2014	766,692	766,692	None	N/A	N/A

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate of 7.00% remained the same as of June 30, 2021 and June 30, 2022.

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS PENSION AND ANNUITY FUND (TPAF)
LAST TEN (10) FISCAL YEARS

Year	District's Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability (Asset)			District's Covered-Employee Payroll	District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as Percentage of Total Pension Liability
		District	State	Total			
2023	0.0000000000 %	\$ None	\$ 133,738,968	\$ 133,738,968	\$ 31,432,740	None	32.29 %
2022	0.0000000000	None	122,426,871	122,426,871	30,075,340	None	35.52
2021	0.0000000000	None	170,049,132	170,049,132	29,278,447	None	24.60
2020	0.0000000000	None	158,810,865	158,810,865	29,149,017	None	26.95
2019	0.0000000000	None	175,123,023	175,123,023	27,363,660	None	26.49
2018	0.0000000000	None	186,690,110	186,690,110	27,621,846	None	25.41
2017	0.0000000000	None	218,036,596	218,036,596	27,558,762	None	22.33
2016	0.0000000000	None	175,556,272	175,556,272	28,541,864	None	28.71
2015	0.0000000000	None	147,602,513	147,602,513	28,523,671	None	33.64
2014	0.0000000000	None	136,686,359	136,686,359	N/A	None	33.76

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - The discount rate of 7.00% remained the same as of June 30, 2021 and June 30, 2022.

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY FOR PERS AND TPAF AND RELATED RATIOS
LAST SIX (6) FISCAL YEARS *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 7,759,037	\$ 9,200,411	\$ 5,232,662	\$ 5,371,266	\$ 6,369,288	\$ 7,662,668
Interest cost	4,670,127	5,374,442	5,200,151	6,496,706	7,100,070	6,145,147
Changes of benefit terms		(220,517)				
Changes of assumptions	(47,273,636)	204,398	42,900,832	2,166,560	(18,893,938)	(25,521,227)
Differences between expected and actual experience	8,366,808	(38,143,435)	40,182,618	(29,043,675)	(19,742,341)	
Benefit payments	(4,625,899)	(4,233,555)	(4,088,717)	(4,460,535)	(4,402,572)	(4,494,916)
Contributions from members	148,401	137,398	123,929	132,223	152,160	165,514
Net changes in total OPEB liability	(30,955,162)	(27,680,858)	89,551,475	(19,337,455)	(29,417,333)	(16,042,814)
Total OPEB liability - beginning	207,179,038	234,859,896	145,308,421	164,645,876	194,063,209	210,106,023
Total OPEB liability - ending	<u>\$ 176,223,876</u>	<u>\$ 207,179,038</u>	<u>\$234,859,896</u>	<u>\$ 145,308,421</u>	<u>\$ 164,645,876</u>	<u>\$ 194,063,209</u>
 Covered-employee payroll (PERS and TPAF)	 <u>\$ 38,125,603</u>	 <u>\$ 36,880,957</u>	 <u>\$ 36,146,377</u>	 <u>\$ 36,146,377</u>	 <u>\$ 33,968,934</u>	 <u>\$ 38,895,333</u>
 Total OPEB liability as a percentage of covered-employee payroll	 <u>None</u>	 <u>None</u>	 <u>None</u>	 <u>None</u>	 <u>None</u>	 <u>None</u>

Note: Only last six (6) years of information is presented as GASB 75 was implemented during fiscal year ended June 30, 2018. Eventually a full ten (10) years schedule will be compiled.

Notes to Required Supplementary Information:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after eight (8) years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreasing to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.0% and decreases to 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Changes of Assumptions - The discount rate utilized was 2.16% as of June 30, 2021 and 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

LACEY TOWNSHIP
BOARD OF EDUCATION
(A COMPONENT UNIT OF THE COUNTY OF OCEAN)
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1

	Total Brought Forward (Exh. E-1a)	Title I	Title II A	Title IV	CRRSA ESSER II	IDEA Part B Basic	IDEA Part B Preschool	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSER III	Totals
REVENUES:											
State sources	\$ 151,053.28										\$ 151,053.28
Federal sources	453,417.01	\$ 780,938.11	\$ 127,621.22	\$ 42,295.47	\$ 499,462.02	\$ 1,068,067.88	\$ 37,992.00	\$ 44,044.83	\$ 38,925.00	\$ 566,507.43	3,659,270.97
Local sources	548,727.23										548,727.23
Total revenues	\$ 1,153,197.52	\$ 780,938.11	\$ 127,621.22	\$ 42,295.47	\$ 499,462.02	\$ 1,068,067.88	\$ 37,992.00	\$ 44,044.83	\$ 38,925.00	\$ 566,507.43	\$ 4,359,051.48
EXPENDITURES:											
Instruction:											
Salaries of teachers	\$ 1,733.28	\$ 431,050.00	\$ 50,000.00		\$ 203,310.24			\$ 41,495.56		\$ 304,122.26	\$ 1,031,711.34
Salaries of supervisors of instruction	192,173.40	51,321.78									243,495.18
Purchased professional/technical services	35,249.00			\$ 9,800.00	30,804.37	\$ 60,427.00				19,166.12	155,446.49
Other purchased services						556,101.24					556,101.24
Supplies and materials	95,266.72	5,652.52		18,680.39		30,348.20					149,947.83
Total instruction	324,422.40	488,024.30	50,000.00	28,480.39	234,114.61	646,876.44		41,495.56		323,288.38	2,136,702.08
Support services:											
Salaries	824.30				114,177.43				\$ 34,425.00	91,388.14	240,814.87
Salaries of other professional staff			24,750.00								24,750.00
Personnel services-employee benefits	175,215.63	216,750.00	25,500.00		107,612.11					86,300.31	611,378.05
Purchased professional/technical services		64,195.00	20,190.00	8,135.00	5,880.00	414,620.00	\$ 37,992.00				551,012.00
Other purchased services	96,374.00								4,500.00		100,874.00
Travel	2,977.00	1,865.00	7,073.99	4,742.00		4,585.54					21,243.53
Supplies and materials		10,103.81	107.23	938.08	37,677.87	1,985.90		2,549.27		14,626.60	67,988.76
Other objects	477,388.15										477,388.15
Total support services	752,779.08	292,913.81	77,621.22	13,815.08	265,347.41	421,181.44	37,992.00	2,549.27	38,925.00	192,315.05	2,095,449.36
Facilities acquisition and construction services:											
Instructional equipment	3,936.00									50,904.00	54,840.00
Total facilities acquisition and construction services	3,936.00									50,904.00	54,840.00
Total expenditures	\$ 1,081,137.48	\$ 780,938.11	\$ 127,621.22	\$ 42,295.47	\$ 499,462.02	\$ 1,068,067.88	\$ 37,992.00	\$ 44,044.83	\$ 38,925.00	\$ 566,507.43	\$ 4,286,991.44
Excess/(Deficit) of Revenues Over/(Under) Expenditures	72,060.04										72,060.04
Fund Balance, July 1	230,740.00										230,740.00
Prior Period Adjustment	74,241.06										74,241.06
Fund Balance, July 1, Restated	304,981.06										304,981.06
Fund Balance, June 30	\$ 377,041.10										\$ 377,041.10

LACEY TOWNSHIP
BOARD OF EDUCATION
(A COMPONENT UNIT OF THE COUNTY OF OCEAN)
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1a

	Total Brought Forward (Exh. E-1b)	ARP- IDEA Part B - Basic	ARP Preschool	ARP Summer Learning	ARP Learning Acceleration	ARP Comprehensive	ARP Homeless	ARP Mental Health	Digital Divide	Nonpublic Teaching	Totals Carried Forward (E-1)
REVENUES:											
State sources	\$ 149,320.00										
Federal sources		\$ 71,528.79	\$ 23,862.88	\$ 2,316.84	\$ 316,977.63	\$ 14,131.61	\$ 23,054.00	\$ 824.30	\$ 720.96	\$ 1,733	\$ 151,053.28
Local sources	548,727.23										453,417.01
											548,727.23
Total revenues	\$ 698,047.23	\$ 71,528.79	\$ 23,862.88	\$ 2,316.84	\$ 316,977.63	\$ 14,131.61	\$ 23,054.00	\$ 824.30	\$ 720.96	\$ 1,733.28	\$ 1,153,197.52
EXPENDITURES:											
Instruction:											
Salaries of teachers											
Salaries of supervisors of instruction		\$ 36,279.79			\$ 141,762.00	\$ 14,131.61				\$ 1,733.28	\$ 1,733.28
Purchased professional/technical services		35,249.00									192,173.40
Other purchased services											35,249.00
Supplies and materials	\$ 76,000.00		\$ 16,949.88	\$ 2,316.84							95,266.72
Total instruction	76,000.00	71,528.79	16,949.88	2,316.84	141,762.00	14,131.61				1,733.28	324,422.40
Support services:											
Salaries								\$ 824.30			824.30
Salaries of other professional staff											
Personnel services-employee benefits					175,215.63						175,215.63
Purchased professional/technical services											
Other purchased services	73,320.00										
Travel			2,977.00				\$ 23,054.00				96,374.00
Supplies and materials											2,977.00
Other objects	476,667.19								\$ 720.96		477,388.15
Total support services	549,987.19		2,977.00		175,215.63		23,054.00	824.30	720.96		752,779.08
Facilities acquisition and construction services:											
Instructional equipment			3,936.00								3,936.00
Total facilities acquisition and construction services			3,936.00								3,936.00
Total expenditures	\$ 625,987.19	\$ 71,528.79	\$ 23,862.88	\$ 2,316.84	\$ 316,977.63	\$ 14,131.61	\$ 23,054.00	\$ 824.30	\$ 720.96	\$ 1,733.28	\$ 1,081,137.48
Excess/(Deficit) of Revenues Over/(Under) Expenditures	72,060.04										72,060.04
Fund Balance, July 1	230,740.00										230,740.00
Prior Period Adjustment	74,241.06										74,241.06
Fund Balance, July 1, Restated	304,981.06										304,981.06
Fund Balance, June 30	\$ 377,041.10										\$ 377,041.10

LACEY TOWNSHIP
BOARD OF EDUCATION
(A COMPONENT UNIT OF THE COUNTY OF OCEAN)
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1b

	<u>SDA Emergent</u>	<u>Local Recreation Improvement Grant</u>	<u>Climate Change</u>	<u>Student Activities</u>	<u>Scholarships</u>	<u>Contribution Private Grants</u>	<u>Totals Carried Forward (E-1a)</u>
REVENUES:							
State sources	\$ 73,320.00	\$ 70,000.00	\$ 6,000.00				\$ 149,320.00
Federal sources							
Local sources							
				\$ 421,060.37	\$ 31,916.86	\$ 95,750.00	548,727.23
Total revenues	\$ 73,320.00	\$ 70,000.00	\$ 6,000.00	\$ 421,060.37	\$ 31,916.86	\$ 95,750.00	\$ 698,047.23
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Salaries of supervisors of instruction							
Purchased professional/technical services							
Other purchased services							
Supplies and materials		\$ 70,000.00	\$ 6,000.00				\$ 76,000.00
Total instruction		70,000.00	6,000.00				76,000.00
Support services:							
Salaries							
Salaries of other professional staff							
Personnel services-employee benefits							
Purchased professional/technical services							
Other purchased services	\$ 73,320.00						73,320.00
Travel							
Supplies and materials							
Other objects				\$ 353,738.62	\$ 29,050.00	\$ 93,878.57	\$ 476,667.19
Total support services	73,320.00			353,738.62	29,050.00	93,878.57	549,987.19
Facilities acquisition and construction services:							
Instructional equipment							
Total facilities acquisition and construction services							
Total expenditures	\$ 73,320.00	\$ 70,000.00	\$ 6,000.00	\$ 353,738.62	\$ 29,050.00	\$ 93,878.57	\$ 625,987.19
Excess/(Deficit) of Revenues Over/(Under) Expenditures				67,321.75	2,866.86	1,871.43	72,060.04
Fund Balance, July 1				214,551.00	16,189.00		230,740.00
Prior Period Adjustment						74,241.06	74,241.06
Fund Balance, July 1, Restated				214,551.00	16,189.00	74,241.06	304,981.06
Fund Balance, June 30				\$ 281,872.75	\$ 19,055.86	\$ 76,112.49	\$ 377,041.10

NONCURRENT DEBT

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
YEAR ENDED JUNE 30, 2023

Issue	Original		Annual Maturities		Interest Rate	Balance July 1, 2022	Retired	Balance June 30, 2023
	Date of Original Issue	Amount of Issue	Date	Amount				
Refunding School Bonds Series 2016A	9/8/2016	\$ 11,595,000	1/15/2024	\$ 1,385,000.00	4.00%	\$ 7,940,000	\$ 1,325,000	\$ 6,615,000
			1/15/2025	1,440,000.00	4.00%			
			1/15/2026	660,000.00	4.00%			
			1/15/2027	660,000.00	4.00%			
			1/15/2028	760,000.00	4.00%			
			1/15/2029	855,000.00	4.00%			
			1/15/2030	855,000.00	4.00%			
Refunding School Bonds Series 2016	1/13/2016	16,090,000	4/1/2024	1,515,000.00	5.00%	6,110,000	1,625,000	4,485,000
			4/1/2025	1,505,000.00	5.00%			
			4/1/2026	1,465,000.00	5.00%			
						\$ 14,050,000	\$ 2,950,000	\$ 11,100,000

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,014,615		\$ 3,014,615	\$ 3,014,615	
State Sources:					
Debt Service Aid Type II	558,485		558,485	558,485	
Total Revenues	\$ 3,573,100		\$ 3,573,100	\$ 3,573,100	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 623,100		\$ 623,100	\$ 623,100	
Redemption of Principal	2,950,000		2,950,000	2,950,000	
Total Regular Debt Service	\$ 3,573,100		\$ 3,573,100	\$ 3,573,100	
Total Expenditures	\$ 3,573,100		\$ 3,573,100	\$ 3,573,100	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30					
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures:					
Budgeted Fund Balance					

STATISTICAL TABLES (SECTION)
(UNAUDITED)

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
INTRODUCTION TO STATISTICAL TABLES (SECTION)
(UNAUDITED)

<u>Contents</u>	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 & J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (ACFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

FINANCIAL TRENDS

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
NET POSITION BY COMPONENT
LAST TEN (10) FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets	\$ 11,059,256	\$ 11,165,085	\$ 10,799,607	\$ 10,587,219	\$ 11,388,749	\$ 13,253,081	\$ 16,846,919	\$ 19,018,432	\$ 20,724,642	\$ 24,523,483
Restricted	1,083,794	1,789,230	1,760,939	3,225,375	4,588,472	5,982,354	7,566,293	9,643,340	10,685,352	7,785,201
Unrestricted	(4,855,733)	(27,402,090)	(24,639,494)	(23,899,938)	(23,909,827)	(25,718,174)	(26,806,222)	(23,098,414)	(17,714,034)	(15,345,875)
Total governmental activities net assets	<u>\$ 7,287,317</u>	<u>\$ (14,447,775)</u>	<u>\$ (12,078,948)</u>	<u>\$ (10,087,344)</u>	<u>\$ (7,932,606)</u>	<u>\$ (6,482,739)</u>	<u>\$ (2,393,010)</u>	<u>\$ 5,563,358</u>	<u>\$ 13,695,960</u>	<u>\$ 16,962,809</u>
Business-type activities										
Invested in capital assets	\$ 82,673	\$ 73,961	\$ 70,051	\$ 74,091	\$ 66,211	\$ 70,290	\$ 68,681	\$ 62,004	\$ 61,793	\$ 74,156
Unrestricted	342,112	269,771	267,422	390,792	347,293	379,099	258,719	52,644	607,716	678,837
Total business-type activities net assets	<u>\$ 424,785</u>	<u>\$ 343,732</u>	<u>\$ 337,473</u>	<u>\$ 464,883</u>	<u>\$ 413,504</u>	<u>\$ 449,389</u>	<u>\$ 327,400</u>	<u>\$ 114,648</u>	<u>\$ 669,509</u>	<u>\$ 752,993</u>
District-wide										
Invested in capital assets	\$ 11,141,929	\$ 11,239,046	\$ 10,869,658	\$ 10,661,310	\$ 11,454,960	\$ 13,323,371	\$ 16,915,600	\$ 19,080,436	\$ 20,786,435	\$ 24,597,639
Restricted	1,083,794	1,789,230	1,760,939	3,225,375	4,588,472	5,982,354	7,566,293	9,643,340	10,685,352	7,785,201
Unrestricted	(4,513,621)	(27,132,319)	(24,372,072)	(23,509,646)	(23,562,534)	(25,339,075)	(26,547,503)	(23,045,770)	(17,106,318)	(14,667,038)
Total district net position	<u>\$ 7,712,102</u>	<u>\$ (14,104,043)</u>	<u>\$ (11,741,475)</u>	<u>\$ (9,622,961)</u>	<u>\$ (7,519,102)</u>	<u>\$ (6,033,350)</u>	<u>\$ (2,065,610)</u>	<u>\$ 5,678,006</u>	<u>\$ 14,365,469</u>	<u>\$ 17,715,802</u>

Source: ACFR Exhibit A-1

Note: In 2015 the effective date of GASB 68 an adjustment was made for the provision of the net pension liability and other related date for PERS & TPAF data for periods prior to 2015 is not available.

2017 includes OPEB expense in accordance with GASB Statement No. 75 related to post-retirement benefits other than pension amounts prior 2017 are not available.

In 2021 GASB No.84 related to fiduciary accounting was implemented.

In 2022 GASB No. 87 related to leases accounting was implemented.

In 2023 GASB No. 96 related to subscription-based information technology was implemented.

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction:										
Regular	\$ 21,656,072	\$ 24,485,567	\$ 23,524,652	\$ 21,889,525	\$ 22,743,587	\$ 43,687,406	\$ 38,302,623	\$ 38,194,017	\$ 36,166,982	\$ 30,042,892
Special Education	6,378,308	6,650,473	7,131,374	7,145,866	7,214,208	15,089,264	14,816,127	15,717,544	16,317,965	17,631,710
Other Special Education	1,490,344	1,480,905	1,510,517	1,562,297	1,624,222	-	-	-	-	293,248
Other Instruction	-	-	-	-	-	3,360,743	3,042,502	2,813,921	2,808,869	2,265,774
Support Services										
Tuition	1,954,601	-	-	-	-	1,942,863	1,898,178	1,929,939	2,032,926	1,994,481
Attendance & Social Work Services	-	251,700	222,909	197,948	205,333	-	-	-	-	-
Health Services	-	600,624	602,206	538,336	612,928	-	-	-	-	-
Student & Instruction Related Services	6,648,193	4,382,602	4,506,846	4,305,449	4,261,875	9,125,741	8,744,770	9,610,108	10,129,816	13,925,295
Educational Media Services/School Library	-	424,491	433,462	420,637	372,546	410,340	408,439	354,916	349,474	355,862
Instructional Staff Training	-	56,423	61,567	37,607	59,886	43,835	31,510	22,773	28,153	42,374
Other Administrative Services	1,012,210	4,326,188	4,269,359	4,294,958	4,513,258	1,510,437	1,702,200	1,509,283	1,511,104	2,451,294
Central Services	568,372	554,588	597,772	487,873	512,716	764,421	759,991	743,476	732,570	540,885
Administration Information Technology Services	-	-	-	633,422	602,340	939,162	949,837	882,730	830,489	684,164
School Administrative Services	1,478,501	1,240,863	1,546,351	1,624,392	1,282,793	2,025,583	2,015,366	2,029,092	1,920,796	2,435,247
Plant Operations & Maintenance	6,113,044	6,218,740	6,108,858	4,626,130	5,192,745	7,190,352	6,980,282	6,468,079	8,072,880	8,055,567
Pupil Transportation	2,938,907	2,998,784	2,877,930	3,209,224	3,325,947	4,943,452	4,573,339	4,389,000	4,278,445	5,241,261
Unallocated Benefits	20,745,138	15,237,999	15,747,519	17,954,591	18,404,189	-	-	-	-	-
Interest & Other Charges	1,634,313	4,524,173	6,689,878	6,611,657	5,291,381	1,489,975	724,842	572,224	884,036	780,254
Unallocated Depreciation	3,644,911	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	<u>\$ 76,262,914</u>	<u>\$ 73,434,120</u>	<u>\$ 75,831,200</u>	<u>\$ 75,539,912</u>	<u>\$ 76,219,954</u>	<u>\$ 92,523,574</u>	<u>\$ 84,950,006</u>	<u>\$ 85,237,102</u>	<u>\$ 86,064,505</u>	<u>\$ 86,740,308</u>
Business Type Activities										
Food Service	\$ 1,477,126	\$ 1,442,100	\$ 1,363,573	\$ 1,260,465	\$ 1,415,767	\$ 1,193,160	\$ 1,029,530	\$ 873,603	\$ 1,303,806	\$ 1,487,571
R.E.D. Program	219,506	334,606	287,548	254,055	217,771	250,080	3,643	-	-	-
Total Business Type Activities Expenses	<u>1,696,632</u>	<u>1,776,706</u>	<u>1,651,121</u>	<u>1,514,520</u>	<u>1,633,538</u>	<u>1,443,240</u>	<u>1,033,173</u>	<u>873,603</u>	<u>1,303,806</u>	<u>1,487,571</u>
Total District Expenses	<u>\$ 77,959,546</u>	<u>\$ 75,210,826</u>	<u>\$ 77,482,321</u>	<u>\$ 77,054,432</u>	<u>\$ 77,853,492</u>	<u>\$ 93,966,814</u>	<u>\$ 85,983,179</u>	<u>\$ 86,110,705</u>	<u>\$ 87,368,311</u>	<u>\$ 88,227,879</u>
Program Revenues:										
Operating Grants & Contributions	\$ 7,444,337	\$ 2,966,345	\$ 4,671,054	\$ 4,581,484	\$ 4,650,233	\$ 20,585,584	\$ 15,168,108	\$ 17,553,793	\$ 15,842,543	\$ 4,912,897
Total Governmental Activities Program Revenue	<u>7,444,337</u>	<u>2,966,345</u>	<u>4,671,054</u>	<u>4,581,484</u>	<u>4,650,233</u>	<u>20,585,584</u>	<u>15,168,108</u>	<u>17,553,793</u>	<u>15,842,543</u>	<u>4,912,897</u>
Business - Type Activities										
Charges for Services:										
Food Services	806,999	755,941	737,288	768,833	745,450	701,118	437,725	13,125	86,210	609,484
R.E.D. Program	243,076	271,807	275,787	253,190	248,428	225,184	-	-	-	-
Operating Grants & Contributions	713,433	667,905	631,787	619,407	588,781	552,823	473,459	647,726	1,772,457	940,911
Total Business Type Activities Program Revenue	<u>1,763,508</u>	<u>1,695,653</u>	<u>1,644,862</u>	<u>1,641,430</u>	<u>1,582,659</u>	<u>1,479,125</u>	<u>911,184</u>	<u>660,851</u>	<u>1,858,667</u>	<u>1,550,395</u>
Total District Program Revenues	<u>\$ 9,207,845</u>	<u>\$ 4,661,998</u>	<u>\$ 6,315,916</u>	<u>\$ 6,222,914</u>	<u>\$ 6,232,892</u>	<u>\$ 22,064,709</u>	<u>\$ 16,079,292</u>	<u>\$ 18,214,644</u>	<u>\$ 17,701,210</u>	<u>\$ 6,463,292</u>
Net (Expense) Revenue										
Governmental activities	\$ (68,818,577)	\$ (70,467,775)	\$ (71,160,146)	\$ (70,958,428)	\$ (71,569,721)	\$ (71,937,990)	\$ (69,781,898)	\$ (67,683,309)	\$ (70,221,962)	\$ (81,827,411)
Business Type Activities	66,876	(81,053)	(6,259)	126,910	(50,879)	35,885	(121,989)	(212,752)	554,861	62,824
Total District - Wide Net Expenses	<u>\$ (68,751,701)</u>	<u>\$ (70,548,828)</u>	<u>\$ (71,166,405)</u>	<u>\$ (70,831,518)</u>	<u>\$ (71,620,600)</u>	<u>\$ (71,902,105)</u>	<u>\$ (69,903,887)</u>	<u>\$ (67,896,061)</u>	<u>\$ (69,667,101)</u>	<u>\$ (81,764,587)</u>

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues & Other Changes in Net Position:										
Property Taxes Levied for General Purposes, Net	\$ 41,210,651	\$ 41,393,480	\$ 42,435,625	\$ 44,747,538	\$ 45,642,489	\$ 47,375,232	\$ 48,322,737	\$ 49,672,584	\$ 50,966,035	\$ 51,985,356
Taxes Levied for Debt Service	2,919,047	3,776,467	3,675,013	3,383,058	3,172,854	3,214,591	3,232,542	3,181,367	3,094,913	3,014,615
General Revenues & Other Changes in Net Position (Cont.):										
Grants & Contributions	21,549,895	24,173,405	24,327,929	24,054,405	24,289,284	22,167,885	21,629,035	20,685,549	23,572,273	27,452,968
Transportation Charges	-	-	-	-	-	6,334	17,160	5,181	12,514	12,545
Tuition Received	94,567	-	-	-	-	99,414	77,164	145,503	142,934	235,395
Miscellaneous Income	601,864	1,057,958	965,817	765,031	619,832	524,401	592,988	1,729,587	780,377	1,422,224
Special and Extraordinary Items	-	-	-	-	-	-	-	-	-	879,699
Total Governmental Activities	<u>\$ 66,376,024</u>	<u>\$ 70,401,310</u>	<u>\$ 71,404,384</u>	<u>\$ 72,950,032</u>	<u>\$ 73,724,459</u>	<u>\$ 73,387,857</u>	<u>\$ 73,871,626</u>	<u>\$ 75,419,771</u>	<u>\$ 78,569,046</u>	<u>\$ 85,002,802</u>
Business - Type Activities										
Special and Extraordinary Items	-	-	-	-	-	-	-	-	-	20,660
Total Business - Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,660</u>
Total District - Wide	<u>\$ 66,376,024</u>	<u>\$ 70,401,310</u>	<u>\$ 71,404,384</u>	<u>\$ 72,950,032</u>	<u>\$ 73,724,459</u>	<u>\$ 73,387,857</u>	<u>\$ 73,871,626</u>	<u>\$ 75,419,771</u>	<u>\$ 78,569,046</u>	<u>\$ 85,023,462</u>
Change in Net Position										
Governmental Activities	\$ (2,442,553)	\$ (66,465)	\$ 244,238	\$ 1,991,604	\$ 2,154,738	\$ 1,449,867	\$ 4,089,729	\$ 7,736,462	\$ 8,347,084	\$ 3,175,391
Business Type Activities	66,876	(81,053)	(6,259)	126,910	(50,879)	35,885	(121,989)	(212,752)	554,861	83,484
Total District	<u>\$ (2,375,677)</u>	<u>\$ (147,518)</u>	<u>\$ 237,979</u>	<u>\$ 2,118,514</u>	<u>\$ 2,103,859</u>	<u>\$ 1,485,752</u>	<u>\$ 3,967,740</u>	<u>\$ 7,523,710</u>	<u>\$ 8,901,945</u>	<u>\$ 3,258,875</u>

Source: ACFR Exhibit A-2

Note: In 2015 the effective date of GASB 68 an adjustment was made for the provision of the net pension liability and other related data for PERS & TPAF data for periods prior to 2015 is not available..

2017 includes OPEB expense in accordance with GASB Statement No. 75 related to post-retirement benefits other than pension amounts prior 2017 are not available.

In 2021 GASB No. 84 related to fiduciary accounting was implemented.

In 2022 GASB No. 87 related to leases accounting was implemented.

In 2023 GASB No. 96 related to subscription-based information technology was implemented.

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
UNAUDITED
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted				\$ 2,825,791	\$ 4,532,324	\$ 5,982,354	\$ 7,566,293	\$ 9,411,113	\$ 10,454,612	\$ 7,400,619
Committed	\$ 248,305	\$ 39,228	\$ 130,985							
Assigned	833,910	1,750,000	939,915	153,397	693,620	862,564		731,465	2,532,240	3,873,361
Unassigned				135,502	(128,795)	-	(263,956)	1,280,018	1,307,099	290,288
Reserved			500,000							
Unreserved		(1,145,262)	(873,395)							
Total general fund	<u>\$ 1,082,215</u>	<u>\$ 643,966</u>	<u>\$ 697,505</u>	<u>\$ 3,114,690</u>	<u>\$ 5,097,149</u>	<u>\$ 6,844,918</u>	<u>\$ 7,302,337</u>	<u>\$ 11,422,596</u>	<u>\$ 14,293,951</u>	<u>\$ 11,564,268</u>
All Other Governmental Funds										
Restricted:										
Debt Service Fund	\$ 2	\$ 2	\$ 190,039	\$ 246,187	\$ 56,148					
Capital Projects Fund	1,577									
Scholarships								\$ 18,723	\$ 16,189	\$ 19,056
Student Activities								213,504	214,551	282,444
Private Grants										83,084
Reserved		5,179,555	5,179,555							
Total all other governmental funds	<u>\$ 1,579</u>	<u>\$ 5,179,557</u>	<u>\$ 5,369,594</u>	<u>\$ 246,187</u>	<u>\$ 56,148</u>	<u>-</u>	<u>-</u>	<u>\$ 232,227</u>	<u>\$ 230,740</u>	<u>\$ 384,584</u>

Source: ACFR Exhibit B-1

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
NET CHANGES IN FUND BALANCES
LAST TEN (10) FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 44,129,698	\$ 45,169,947	\$ 46,110,638	\$ 48,130,596	\$ 48,815,343	\$ 50,589,823	\$ 51,555,279	\$ 52,853,951	\$ 54,060,948	\$ 54,999,971
Tuition Charges	94,567	167,414	60,875	31,372	112,175	99,414	77,164	145,503	142,934	235,395
Interest Earnings	5,081	3,091	3,842	4,949	12,189	24,449	25,416	18,746	19,410	185,790
Solar Renewable Energy Credits	341,547	605,033	449,764	251,302	658,812	364,257	322,585	185,461	89,423	254,156
Miscellaneous	394,519	282,420	451,336	477,408	(163,344)	255,694	357,824	1,685,948	756,619	1,034,374
State Revenue	27,277,246	25,357,006	27,071,687	26,853,695	27,020,733	31,606,933	31,484,949	32,584,109	37,273,166	35,124,518
Federal Revenue	1,716,986	1,782,744	1,927,296	1,782,194	1,918,784	1,868,626	1,844,945	2,923,643	3,785,653	4,361,953
Total revenue	73,959,644	73,367,655	76,075,438	77,531,516	78,374,692	84,809,196	85,668,162	90,397,361	96,128,152	96,196,157
Expenditures										
Instruction										
Regular Instruction	21,656,072	21,892,026	21,350,848	19,613,799	20,576,854	21,068,779	20,984,327	21,072,605	21,469,296	19,664,812
Special education instruction	6,378,308	6,558,936	7,054,651	7,065,546	7,137,735	6,328,372	7,159,468	7,572,344	8,543,466	12,249,692
Other Special Instructions	1,490,344	1,465,649	1,497,730	1,548,910	1,611,477	948,608	957,639	1,099,423	1,143,137	191,948
Other Instruction	-	-	-	-	-	1,620,759	1,666,853	1,552,511	1,667,389	1,483,080
Support Services										
Tuition	-	-	-	-	-	1,942,863	1,898,178	1,929,939	1,609,387	1,994,481
Attendance & Social Work Services	247,081	251,700	222,909	197,948	205,333	218,505	231,872	227,782	228,365	250,273
Health Services	634,049	600,624	602,206	538,336	612,928	597,270	573,408	629,062	851,769	817,822
Student & Instruction Related Services	1,954,601	4,123,248	4,289,466	4,077,877	4,045,203	5,336,994	5,353,952	6,177,145	6,848,774	8,783,597
Educational Media Services/School Library	420,773	424,491	433,462	420,637	372,546	410,340	408,439	354,916	349,474	355,862
Instructional Staff Training	77,897	56,423	61,567	37,607	59,886	43,835	31,510	25,345	39,947	42,374
Other Administrative Services	5,268,393	3,377,656	3,408,729	3,200,719	3,380,011	1,124,467	1,289,197	1,135,224	1,196,282	1,181,330
Central Services	568,372	554,588	597,772	487,873	512,716	527,195	546,050	551,905	579,947	540,885
Administration Information Tech. Services	-	-	-	633,422	602,340	647,708	682,454	655,278	657,465	684,164
School Administration Services	2,490,711	2,406,114	2,328,493	2,482,873	2,549,888	1,396,976	1,448,032	1,506,258	1,520,618	1,594,010
Plant Operations & Maintenance	6,113,044	5,936,417	5,964,246	5,125,685	4,979,787	5,158,892	5,273,429	5,054,170	5,803,062	5,532,911
Pupil Transportation	2,938,907	2,998,784	2,877,930	3,209,224	3,325,947	3,409,332	3,285,925	3,258,090	3,387,076	3,430,709
Unallocated Benefits	15,993,934	15,253,093	16,115,424	17,840,688	17,754,656	23,010,263	22,866,644	24,039,174	25,682,764	26,546,145
Business and Other Support Services										
Other	3,976,693	2,966,345	4,671,054	4,581,484	4,650,233	4,326,458	4,200,720	4,445,580	4,727,645	5,177,087
Capital Outlay	810,774	668,787	377,053	177,544	298,994	1,438,031	2,777,145	1,774,879	3,140,868	4,686,560
Debt Service:										
Principal	2,795,000	2,755,000	2,810,000	2,670,000	2,745,000	2,755,000	2,790,000	2,860,000	2,895,000	2,950,000
Interest & Other Charges	1,619,550	1,517,600	1,168,322	1,148,011	1,160,738	1,236,927	1,135,502	1,035,152	916,552	784,452
Total Expenditures	75,434,503	73,807,481	75,831,862	75,058,183	76,582,272	83,547,574	85,560,744	86,956,782	93,258,284	98,942,194
Other Financing Sources (Uses):										
Capital Leases & SBITAs (Nonbudgeted)						430,000	350,000	692,000		95,956
Proceeds of Refunding Bonds			(16,090,000)	(11,595,000)						
Proceeds from Bond Issuance			16,090,000	11,595,000						
Cancellation of Payable	(139,283)									
Transfers in	945,000	1,577		3						
Transfers out	(945,000)	(1,577)								
Total Other Financing Sources (Uses)	(139,283)	-	-	3	-	430,000	350,000	692,000	-	95,956
Net Change in Fund Balances	\$ (1,614,142)	\$ (439,826)	\$ 243,576	\$ 2,473,336	\$ 1,792,420	\$ 1,691,622	\$ 457,419	\$ 4,132,579	\$ 2,869,868	\$ (2,650,081)
Debt Services as a Percentage of Non-capital Expenditures	6.22%	6.14%	5.54%	5.36%	5.37%	5.02%	4.81%	4.69%	4.26%	3.77%

Source: ACFR Exhibit B-2

TOWNSHIP OF LACEY SCHOOL DISTRICT
COUNTY OF OCEAN
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN (10) FISCAL YEARS
UNAUDITED
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sale of Equipment		\$ 4,532	\$ 22,279	\$ 2,096	\$ 1,500					
Interest					12,189	\$ 24,449	\$ 25,416	\$ 18,746	\$ 19,410	\$ 185,790
Joint Transportation						6,334	17,160	5,181	12,514	12,545
Tuition					112,175	99,414	77,164	145,503	142,934	235,395
Use of Facilities				1,110	10,435		1,920			7,490
Prior Year Refunds		14,834	36,372	6,383	38,717		22,784	113,904		4,724
Student Fines/Lost Textbooks		4,240	3,809	2,250	1,815		2,272	1,221		20
Miscellaneous	\$ 326,352	775,861	584,569	264,129	580,399	499,952	540,596	1,386,388	501,977	696,948
Total	\$ 326,352	\$ 799,467	\$ 647,029	\$ 275,968	\$ 757,230	\$ 630,149	\$ 687,312	\$ 1,670,943	\$ 676,835	\$ 1,142,913

REVENUE CAPACITY

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN (10) FISCAL YEARS
UNAUDITED

Fiscal Year End June 30	Vacant Land	Residential	Farm Reg.	Ofarm	Commerical	Industrial	Apartment	Total Assessed Value	Less: Tax Exempte d Property	Public Utilities	Net Valuation Taxable	Totsl Direct School Tax Rate (b)	Actual (County Equalized) Value
2023	\$ 74,035,800	\$ 3,441,495,500	\$ 3,087,500	\$ 42,000	\$ 315,512,300	\$ 168,534,200	\$ 4,759,000	\$ 4,007,466,300	N/A	0	\$ 4,007,466,300	1.40	\$ 5,188,329,462
2022	72,111,600	3,414,325,000	3,473,500	45,300	317,759,000	168,534,200	4,759,000	3,981,007,600	N/A	0	3,981,007,600	1.37	3,981,007,600
2021	88,422,700	3,324,613,750	3,473,500	45,300	319,303,343	171,077,300	4,759,000	3,911,694,893	N/A	0	3,911,694,893	1.37	3,974,786,747
2020	88,422,700	3,324,613,750	3,473,500	45,300	319,303,343	171,077,300	4,759,000	3,911,694,893	N/A	0	3,911,694,893	1.35	3,974,786,747
2019	102,937,100	3,283,136,850	4,031,600	954,800	312,325,663	190,235,400	4,759,000	3,898,380,413	N/A	0	3,898,380,413	1.32	3,889,046,701
2018	103,385,900	3,234,796,950	4,031,600	962,000	315,846,455	190,235,400	4,759,000	3,854,017,305	N/A	0	3,854,017,305	1.31	3,795,191,832
2017	97,817,900	3,199,509,750	4,049,800	957,200	319,895,555	190,585,300	4,759,000	3,817,574,505	N/A	0	3,817,574,505	1.28	3,785,195,332
2016	98,051,800	3,179,379,400	4,242,300	957,200	320,674,300	190,066,500	4,759,000	3,798,130,500	N/A	0	3,798,130,500	1.27	3,850,550,781
2015	99,467,900	3,158,811,800	4,202,300	1,000,000	319,523,800	190,066,500	4,759,000	3,777,831,300	N/A	\$ 5,123,899	3,782,955,199	1.22	3,782,292,706
2014	107,786,900	3,556,920,000	3,893,800	996,700	336,213,100	222,393,200	5,172,700	4,233,376,400	N/A	7,009,567	4,240,385,967	1.07	3,915,633,894

Source: Municipal Tax Assessor

Real Property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation
 Reassessment occurs when the County Board of Taxation to order a reassessment

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

b. Tax rates are per \$100

c. Based on county abstract of ratables column 11 net valuation for county tax apportionment

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN (10) FISCAL YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

	<u>General Obligation</u>			<u>Overlapping Rates</u>			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	Debt Service (b)	Total Direct	Township of Lacey	Regional Rate	Ocean County	
2023	1.398	0	1.398	0.507	0.000	0.464	2.369
2022	1.382	0	1.382	0.458	0.000	0.423	2.263
2021	1.369	0	1.369	0.444	0.000	0.412	2.225
2020	1.351	0	1.351	0.399	0.000	0.404	2.154
2019	1.322	0	1.322	0.386	0.000	0.408	2.116
2018	1.313	0	1.313	0.373	0.000	0.405	2.091
2017	1.279	0	1.279	0.357	0.000	0.393	2.029
2016	1.267	0	1.267	0.348	0.000	0.406	2.021
2015	1.221	0	1.221	0.308	0.000	0.401	1.930
2014	1.066	0	1.066	0.280	0.000	0.361	1.707

Source: Municipal Tax Collector, Ocean County Board of Taxation

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

Taxpayer	2023			2014			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	
Oyster Creek Enviroment Protection, LLC	\$ 111,486,700	1	2.850%	Exelon (Amergen Energy) Co.	\$ 145,444,700	1	3.440%
First Energy Service Co.	33,133,100	2	0.847%	JCP&L	49,433,800	2	1.169%
Agree Forked River	29,553,000	3	0.756%	PR Lacey LLC	35,890,600	3	0.849%
Piedmont Associates	20,656,100	4	0.528%	Wal-Mart R.E. Business Trust	21,926,300	4	0.519%
Wal-Mart R.E. Business Trust	16,500,000	5	0.422%	Piedmont Associates	21,200,000	5	0.501%
Forked River Residence, LLC	8,521,500	6	0.218%	Forked River Residence, LLC	9,571,800	6	0.226%
Giombetti, David M & Dawn M	7,029,600	7	0.180%	Taxpayer #4	8,626,600	7	0.204%
US Bank Trust	5,760,300	8	0.148%	Toll Land XI, LP	8,530,000	8	0.202%
WaWa, Inc.	5,071,500	9	0.130%	Forked River Power, LLC	7,554,000	9	0.179%
Cav-Burt LLC	4,954,000	10	0.127%	Cav-Burt LLC	5,470,800	10	0.129%
Total	\$ 242,665,800		6.21%	\$ 313,648,600		7.42%	

Source: Municipal Tax Assessor

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN (10) FISCAL YEARS
UNAUDITED

	Taxes Levied for the Fiscal Year		Amount Collected	Percentage of Levy
2023	\$	54,999,971	\$ 54,999,971	100.00%
2022		54,060,948	54,060,948	100.00%
2021		52,853,950	52,853,950	100.00%
2020		51,555,279	51,555,279	100.00%
2019		50,589,823	50,589,823	100.00%
2018		48,815,343	48,815,343	100.00%
2017		48,130,596	48,130,596	100.00%
2016		46,110,638	46,110,638	100.00%
2015		45,169,947	45,169,947	100.00%
2014		44,129,698	44,129,698	100.00%

Source: Municipal Tax Collector

DEBT CAPACITY

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30	General Obligation Bonds	Lease Obligations	Total District Debt	Percentage of Personal Income	Per Capita
2023	\$ 11,100,000	\$ 422,617	\$ 11,522,617	0.69%	394
2022	14,050,000	637,015	14,687,015	0.20%	538
2021	16,945,000	993,347	17,938,347	0.17%	603
2020	19,805,000	699,802	20,504,802	0.14%	708
2019	22,595,000	709,061	23,304,061	0.12%	842
2018	25,350,000	568,983	25,918,983	0.11%	899
2017	28,095,000	256,977	28,351,977	0.10%	1,104
2016	31,190,000	363,811	31,553,811	0.09%	1,258
2015	35,680,000	111,672	35,791,672	0.08%	1,219
2014	38,435,000	51,180	38,486,180	0.07%	1,360

Source: Abstract of Ratables, Ocean County

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

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

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

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN (10) FISCAL YEARS
UNAUDITED

Governmental Activities

<u>Fiscal Year Ended</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value # of Property</u>	<u>Per Capita (b)</u>
2023	\$ 11,100,000	\$ -	\$ 11,100,000	0.28%	29,273
2022	14,050,000	-	14,050,000	0.35%	29,273
2021	16,945,000	-	16,945,000	0.43%	29,760
2020	19,805,000	-	19,805,000	0.50%	29,295
2019	22,595,000	-	22,595,000	0.58%	27,667
2018	25,350,000	-	25,350,000	0.67%	28,819
2017	28,095,000	-	28,095,000	0.74%	28,569
2016	31,190,000	-	31,190,000	0.81%	28,569
2015	35,680,000	-	35,680,000	0.94%	28,451
2014	38,435,000	-	38,435,000	0.98%	28,307

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

a. Use Estimated County equalized value from J-6

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

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
(UNAUDITED)

GOVERNMENTAL UNIT	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED % APPLICABLE (a)</u>	<u>SHARE OF OVERLAPPING DEBT</u>
Debt Repaid With Property Taxes:			
Lacey Township (12/31/2022)	\$ 24,148,256	100%	\$ 24,148,256
Other Debt:			
County of Ocean - Township's Share (%) (12/31/2022)	497,859,766	3.66%	<u>18,196,774</u>
Subtotal, Overlapping Debt			\$ 42,345,030
Lacey Township School District Direct Debt (6/30/2023)			<u>11,100,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 53,445,030</u></u>

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

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 Lacey Township. This process recognizes that, when considering the District's ability to issue and repay noncurrent 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.

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
LEGAL DEBT MARGIN INFORMATION
LAST TEN (10) FISCAL YEARS
UNAUDITED

Legal Debt Margin For Fiscal Year 2023

Equalized valuation basis

2020	\$ 4,083,188,824
2021	4,403,105,787
2022	<u>5,152,074,026</u>

\$ 13,638,368,637

Average equalized valuation of taxable property

\$ 4,546,122,879

Debt limit (4 % of average equalization value) a

\$ 181,844,915

Total Net Debt Applicable to Limit

11,100,000

Legal debt margin

\$ 170,744,915

	<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>2023</u>
Debt limit	\$ 159,242,005	\$ 155,348,203	\$ 153,280,761	\$ 153,410,015	\$ 153,158,144	\$ 154,266,296	\$ 155,521,235	\$ 156,290,269	\$ 157,391,965	\$ 181,844,915
Total net debt applicable to limit	<u>38,435,000</u>	<u>35,680,000</u>	<u>31,190,000</u>	<u>28,095,000</u>	<u>25,350,000</u>	<u>22,595,000</u>	<u>19,805,000</u>	<u>16,945,000</u>	<u>14,050,000</u>	<u>11,100,000</u>
Legal debt margin	<u>\$ 120,807,005</u>	<u>\$ 119,668,203</u>	<u>\$ 122,090,761</u>	<u>\$ 125,315,015</u>	<u>\$ 127,808,144</u>	<u>\$ 131,671,296</u>	<u>\$ 135,716,235</u>	<u>\$ 139,345,269</u>	<u>\$ 143,341,965</u>	<u>\$ 170,744,915</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.14%	22.97%	20.35%	18.31%	16.55%	14.65%	12.73%	10.84%	8.93%	6.10%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a. Limit set by NJSA:24-19 for a K through 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended December 31</u>	<u>Population ^a</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income ©</u>	<u>Unemployment Rate (d)</u>
2014	28,307	-	44,453	7.00%
2015	28,451	-	46,109	5.50%
2016	28,569	-	47,413	5.10%
2017	28,569	-	46,109	5.10%
2018	28,819	-	47,413	4.50%
2019	27,667	-	50,184	4.30%
2020	29,295	-	52,008	4.30%
2021	29,760	-	53,139	9.00%
2022	29,273	-	57,344	6.10%
2023	29,273	-	57,344	3.60%

Source:

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

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

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

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

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2023
DATA NOT AVAILABLE

2014
DATA NOT AVAILABLE

OPERATING INFORMATION

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN (10) FISCAL YEARS

<u>Function/Program</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>2023</u>
Instruction										
Regular	283.0	283.0	276.0	254.0	260.00	259.00	249.70	247.00	249.20	227.60
Special education	128.0	141.0	143.0	144.0	143.00	155.00	145.50	189.40	189.00	230.20
Special spec education										
Vocational										
Other Instruction	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	6.0	7.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	82.0	80.0	82.0	72.0	71.0	71.0	74.9	73.0	74.1	77.7
General administration	11.0	13.0	13.0	12.0	14.0	13.0	12.7	12.4	12.7	12.0
School administrative services	17.0	17.0	16.0	24.0	25.0	24.0	24.0	24.6	25.0	18.0
Other administrative services										7.0
Central services										
Administrative Information Technology										
Plant operations and maintenance	113.0	122.0	124.0	114.0	112.0	100.0	88.5	85.5	88.9	83.6
Pupil transportation	41.0	44.0	46.0	46.0	44.0	41.0	39.6	38.2	36.0	41.2
Other support services										
Special Schools										
Food Services										
Child Care										
Total	<u>679.0</u>	<u>704.0</u>	<u>704.0</u>	<u>670.0</u>	<u>673.00</u>	<u>667.0</u>	<u>638.9</u>	<u>674.1</u>	<u>680.90</u>	<u>704.2</u>

Source: District Personnel Records

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
OPERATING STATISTICS
LAST TEN (10) FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		% Change in Average Daily Enrollment	Student Attendance Percentage
						Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c		
2014	4563	70,209,179	15,387	2.13%	N/A	N/A	N/A	N/A	N/A
2015	4415	65,899,752	14,926	-2.99%	366	4299	4,000	N/A	93.04%
2016	4281	71,476,487	16,696	11.86%	360	4142	3,858	-3.65%	93.14%
2017	4134	69,305,171	16,765	0.41%	346	4013	3,741	-3.11%	93.22%
2018	4113	70,698,695	17,189	2.53%	345	3987	3,696	-0.65%	92.70%
2019	4128	77,773,485	18,840	9.61%	349	3958	3,706	-0.73%	93.63%
2020	4000	79,921,503	19,980	6.05%	333	3938	3,786	-0.51%	96.14%
2021	3991	80,021,122	20,050	0.35%	419	3772	3,567	-4.22%	94.57%
2022	3957	85,534,203	21,616	7.81%	438	3802	3,540	0.80%	93.11%
2023	3768	90,482,534	24,013	11.08%	458	3768	3,488	-0.89%	92.60%

Sources: District records

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

a Operating expenditures equal total expenditures less debt service and capital outlay per schedule B -2

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
SCHOOL BUILDING INFORMATION
LAST TEN (10) FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Elementary School										
Board Office (1989)										
Square Feet	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
Capacity (Students)	0	0	0	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0	0	0	0
Grounds Department (1995)										
Square Feet	8,960	8,960	8,960	8,960	8,960	8,960	8,960	8,960	8,960	8,960
Capacity	0	0	0	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0	0	0	0
Forked River Elementary (1959)										
Square Feet	45,800	45,800	45,800	45,800	45,800	45,800	45,800	45,800	45,800	45,800
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment (a)	540	493	452	407	419	395	418	418	461	461
Lanoka Harbor Elementary (1969)										
Square Feet	51,630	51,630	51,630	51,630	51,630	51,630	51,630	51,630	51,630	51,630
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	593	543	504	479	456	488	504	504	453	453
Cedar Creek Elementary (1990)										
Square Feet	64,420	64,420	64,420	64,420	64,420	64,420	64,420	64,420	64,420	64,420
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	599	559	536	526	515	502	496	496	443	443
Mill Pond Elementary (1980)										
Square Feet	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250
Capacity	975	975	975	975	975	975	975	975	975	975
Enrollment	679	763	786	775	779	772	733	733	665	665
Middle School										
Lacey Twp Middle School (2000)										
Square Feet	105,335	105,335	105,335	105,335	105,335	105,335	105,335	105,335	105,335	105,335
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	707	648	645	672	689	676	672	672	620	620
High School										
Lacey Twp High School (1981)										
Square Feet	276,175	276,175	276,175	276,175	276,175	276,175	276,175	276,175	276,175	276,175
Capacity	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,460	1,337	1,279	1,185	1,179	1,189	1,177	1,177	1,237	1,237

Number of Schools at June 30, 2023:

Elementary = 4

Middle School = 1

High School = 1

Other = 2

Source: District Facilities Office, District Record

LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES
LAST TEN (10) FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

School Facilities	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>High Schools</u>										
Lacey Twp High School	\$ 307,877	\$ 419,115	\$ 268,934	\$ 336,671	\$ 350,777	\$ 252,925	\$ 244,228	\$ 848,588	\$ 464,905	\$ 500,583
<u>Middle Schools</u>										
Lacey Twp Middle School	\$ 112,912	\$ 93,585	\$ 98,629	\$ 123,471	\$ 133,789	\$ 96,468	\$ 104,326	\$ 311,487	\$ 310,394	\$ 323,937
<u>Elementary Schools</u>										
Mill Pond Elementary	\$ 107,301	\$ 66,535	\$ 93,728	\$ 117,336	\$ 127,330	\$ 91,811	\$ 84,348	\$ 297,451	\$ 352,461	\$ 388,381
Cedar Creek Elementary	68,729	153,024	60,035	75,156	81,822	58,997	72,324	189,969	241,171	272,051
Lanoka Harbor Elementary	55,404	145,637	48,396	60,585	65,577	47,284	56,867	154,219	266,732	285,149
Forked River Elementary	49,092	75,005	42,882	52,683	58,172	41,944	48,728	136,706	267,586	296,205
Grand Total	\$ 701,314	\$ 952,901	\$ 612,604	\$ 765,902	\$ 817,467	\$ 589,429	\$ 610,821	\$ 1,938,420	\$ 1,903,249	\$ 2,066,306

LACEY SCHOOL DISTRICT
COUNTY OF OCEAN
INSURANCE SCHEDULE
[UNAUDITED]

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - (1):		
Building and Contents (All Locations)	\$187,246,759.00	\$5,000.00
Equipment Breakdown	100,000,000.00	5,000.00
Computers - EDP Blanket	2,000,000.00	1,000.00
General Liability	31,000,000.00	0.00
General Automobile Liability Auto Physical Liability	31,000,000.00	0.00
Employee Benefit Liability	31,000,000.00	0.00
Crime - Employee Dishonesty	100,000.00	500.00
School Leaders Errors & Omissions	31,000,000.00	10,000.00
Workers's Compensation: Employers Liability	3,000,000.00	0.00
Excess Coverage	25,000,000.00	0.00
Terrorism	1,000,000.00	0.00
SURETY BONDS: School Business Administrator		
School Business Administrator	\$360,000	
ENVIROMENTAL LIABILITY (3)		
Limit of Liability	\$1,000,000	
STUDENT ACCIDENT INSURANCE (2)		
Accident Medical Benefit	\$5,000,000	
Catastrophic Cash Benefit	\$1,000,000	
Cyber Liability	\$2,000,000.00	Various

(1) New Jersey School Boards Association Insurance Company
(2) Axis Global & Health
(3) Beazley Enviromental

Electronic Data Processing
Contractors Equipment
Musical Instruments Floater
Monies and Security
Nurses Professional Liability

Boiler Insurance Extra Expense Section

Fidelity Bond - S.A.I.F.
 All Employees
 Treasurer - Western Surety Co.
 SBA/Board Secretary - Selective Ins. Co.

School Board Legal Liability - NJSBAIG

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-1
Sheet 1 of 2

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

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

We have audited, in accordance with the 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 audit requirements as prescribed by the Office of School Finance Department, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lacey Township Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Lacey Township Board of Education's basic financial statements, and have issued our report thereon dated March 26, 2024.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

**INDEPENDENT AUDITORS 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 (CONTINUED)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that may not have been identified. 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 Board of Education of the Lacey Township School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
March 26, 2024

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-2
Sheet 1 of 3

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Township of Lacey Board of Education, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Lacey Board of Education, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Township of Lacey District Board of Education, 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 Township of Lacey Board of Education, 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, 2023.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township of Lacey Board of Education, 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 Township of Lacey Board of Education, 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 Township of Lacey Board of Education, State of New Jersey's federal and state programs.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB 15-08 (CONTINUED)**

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 Township of Lacey Board of Education, 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*, the Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting 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 Township of Lacey Board of Education, 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*, the 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 best basis, evidence regarding the Township of Lacey Board of Education, 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 Township of Lacey Board of Education, 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, but not for the purpose of expressing an opinion on the effectiveness of the Township of Lacey Board of Education, 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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB 15-08.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB 15-08 (CONTINUED)**

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 or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
March 26, 2024

**LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT K-3
Sheet 1 of 2**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL ASSISTANCE LISTING #	FEDERAL AWARD IDENTIFICATION NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE June 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJ.	BALANCE, JUNE 30, 2023			
										UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	
<u>U.S. Department of Health and Human Services</u>													
Passed Through NJ Department of Human Services:													
Medicaid Cluster:													
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	100-054-7540-211	\$ 99,494	7/1/22-6/30/23	\$ -	\$ 99,494	\$ (99,494)	\$ -	\$ -	\$ -	\$ -	
Total Medicaid Center						-	99,494	(99,494)	-	-	-	-	
Total U.S. Department of Health and Human Services						-	99,494	(99,494)	-	-	-	-	
<u>U.S. Department of Agriculture</u>													
Passed Through NJ Department of Agriculture:													
Child Nutrition Cluster:													
School Breakfast Program	10.553	231NJ304NN1099	100-010-3350-028	111,371	7/1/22-6/30/23	-	103,925	(111,371)	-	-	(7,446)	-	
School Breakfast Program	10.553	221NJ304NN1099	100-010-3350-028	329,454	7/1/21-6/30/22	(29,673)	29,673	-	-	-	-	-	
						(29,673)	133,598	(111,371)	-	-	(7,446)	-	
National School Lunch Program	10.555	231NJ304NN1099	100-010-3350-028	454,762	7/1/22-6/30/23	-	447,946	(470,551)	-	-	(22,605)	-	
National School Lunch Program	10.555	221NJ304NN1099	100-010-3350-028	1,264,789	7/1/21-6/30/22	(85,342)	85,342	-	-	-	-	-	
Food Distribution Program (Noncash Assistance)	10.555	221NJ304N1099	NA	132,493	7/1/22-6/30/23	-	132,493	(132,493)	-	-	-	-	
Supply Chain Assistance	10.559	231NJ304N1099	NA	199,197	7/1/22-6/30/23		199,197	(199,197)					
Local Food for Schools	10.158			5,546			5,546	(5,546)					
						(85,342)	870,524	(807,787)	-	-	(22,605)	-	
Total Child Nutrition Center						(115,015)	1,004,122	(919,158)	-	-	(30,051)	-	
Total U.S. Department of Agriculture						(115,015)	1,004,122	(919,158)	-	-	(30,051)	-	
<u>U.S. Department of Education</u>													
Passed Through NJ Department of Education:													
Education Stabilization Fund													
Elementary & Secondary School Emergency Relief													
CRRSA - ESSER I	84.425D	S425D210027	100-034-5120-513	522,987	3/13/20-9/30/22	(6,029)	-	-	6,029	-	-	-	
CRRSA - ESSER II	84.425D	S425D220027	100-037-5120-518	2,139,835	3/13/20-9/30/23	(742,976)	1,200,380	(499,462)	(89,505)	-	(131,563)	-	
CRRSA - Learning Acceleration	84.425D	S425D220027	100-037-5120-518	1,371,243	3/13/20-9/30/23	(2,997)	47,041	(44,045)	-	-	(1)	-	
CRRSA - Mental Health	84.425D	S425D220027	100-037-5120-518	45,000	3/13/20-9/30/23	(6,075)	-	(38,925)	-	-	(45,000)	-	
						(758,077)	1,247,421	(582,432)	(83,476)	-	(176,564)	-	
ARP - ESSER III	84.425U	S425D220027	Unavailable	345,741	3/13/20-9/30/24	(1,030,492)	309,002	(566,507)	-	-	(1,287,997)	-	
ARP - Summer Learning	84.425U	S425D220027	Unavailable	40,000	3/13/20-9/30/24	(1,257)	760	(2,317)	-	-	(2,814)	-	
ARP - Accelerated Learning	84.425U	S425D220027	Unavailable	345,741	3/13/20-9/30/24		-	(316,978)	-	-	(316,978)	-	
ARP - Homeless	84.425U	S425D220027	Unavailable	23,054	3/13/20-9/30/24		23,054	(23,054)	-	-	-	-	
ARP - Emergency	84.425U	S425D220027	Unavailable	45,000	3/13/20-9/30/24			(824)			(824)		
ARP - Beyond the School Day	84.425U	S425D220027	Unavailable	40,000	3/13/20-9/30/24	(24,898)	25,868	(14,132)	-	-	(13,162)	-	
						(1,056,647)	358,684	(923,812)	-	-	(1,621,775)	-	
Every Student Succeeds Act (ESSA)													
Title I - Part A	84.010	S010A220030	100-034-5064-194	803,755	7/1/22-9/30/23	-	505,805	(780,938)	-	-	(275,133)	-	
Title I - Part A	84.010	S010A210030	100-034-5064-194	585,601	7/1/21-9/30/22	(277,508)	277,251	-	-	-	(257)	-	
						(277,508)	783,056	(780,938)	-	-	(275,390)	-	
Title II - Part A, Supporting Effective Instruction	84.367A	S367A220029	100-034-5064-290	144,592	7/1/22-9/30/23	-	95,952	(127,621)	-	-	(31,669)	-	
Title II - Part A, Supporting Effective Instruction	84.367A	S367A210029	100-034-5064-290	106,428	7/1/21-9/30/22	(46,333)	46,333	-	-	-	-	-	
						(46,333)	142,285	(127,621)	-	-	(31,669)	-	

**LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT K-3
Sheet 2 of 2**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL ASSISTANCE LISTING #	FEDERAL AWARD IDENTIFICATION NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE June 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJ.	BALANCE, JUNE 30, 2023		
										UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
Title III - English Language Acquisition	84.365	S365A210030	100-034-5064-187	\$ 208	7/1/21-9/30/22	\$ (208)	\$ 208	-	-	-	-	-
						(208)	208	-	-	-	-	-
Title IV - Part A	84.424	S424A220100	100-034-5063-348	48,580	7/1/22-9/30/23	-	38,972	\$ (42,295)	-	\$ (3,323)	-	-
Title IV - Part A	84.424	S424A210100	100-034-5063-348	48,035	7/1/21-9/30/22	(5,251)	5,251	-	-	-	-	-
						(5,251)	44,223	(42,295)	-	-	(3,323)	-
Special Education Cluster:												
I.D.E.A. Part B	84.027A	H027A220100	100-034-5065-016	1,025,427	7/1/22-9/30/23	-	968,847	(1,068,068)	\$ 3,940	-	(95,281)	-
I.D.E.A. Part B	84.027A	H027A210100	100-034-5065-016	1,003,274	7/1/21-9/30/22	(227,030)	192,973	-	36,218	\$ 2,161	(0)	-
ARP - I.D.E.A. Part B	84.027X	H027X220100	100-034-5065-094	1,674,744	7/1/22-9/30/23	-	83,481	(71,529)	(8,889)	3,063	0	-
ARP - I.D.E.A. Part B	84.027X	H027X210100	100-034-5065-094	182,744	7/1/21-9/30/22	(38,968)	38,968	-	-	-	-	-
						(265,998)	1,284,269	(1,139,597)	31,269	5,224	(95,281)	-
I.D.E.A. Preschool	84.173	H173A220100	100-034-5065-020	42,853	7/1/22-9/30/23	-	37,992	(37,992)	-	-	-	-
I.D.E.A. Preschool	84.173	H173A210100	100-034-5065-020	34,143	7/1/21-9/30/22	-	-	-	-	-	-	-
ARP - I.D.E.A. Preschool	84.173X	H173X220114	100-034-5065-020	37,992	7/1/22-9/30/23	-	-	-	-	-	-	-
ARP - I.D.E.A. Preschool	84.173X	H173X210114	100-034-5065-020	15,558	7/1/21-9/30/22	(15,558)	15,558	(23,863)	(4,522)	-	(28,385)	-
						(15,558)	53,550	(61,855)	(4,522)	-	(28,385)	-
Total Special Education Cluster						(281,556)	1,337,819	(1,201,452)	26,747	5,224	(123,665)	-
Total U.S. Department of Education						(2,425,580)	3,913,696	(3,658,550)	(56,729)	5,224	(2,232,387)	-
<u>U.S. Department of Treasury</u>												
Passed Through NJ Department of Treasury:												
Bridging the Digital Divide	21.019	SLT0007	100-034-5120-516	346,456		1,390	-	(721)		669	0	
COVID ARP State & Local Fiscal Recovery Fund												
DOE Special Education Services	21.027	SLRFD0EISES	Unavailable	-	-	-	-	-	-	-	-	-
COVID ARP State & Local Fiscal Recovery Fund												
DOE Special Education Services	21.027	SLRFD0EISES	Unavailable	149,906	7/1/21-6/30/22	(74,953)	74,953	-	-	-	-	-
Total U.S. Department of Treasury						(73,563)	74,953	(721)	-	669	0	-
Total Expenditures of Federal Awards						\$ (2,614,158)	\$ 5,092,265	\$ (4,677,923)	\$ (56,729)	\$ 5,893	\$ (2,262,438)	\$ -

**LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT K-4
Sheet 1 of 2**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE June 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	BALANCE, JUNE 30, 2023			MEMO	
							UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
New Jersey Department of Education											
General Fund											
State Aid Public:											
Special Education Categorical Aid	23-495-034-5120-089	\$ 2,504,516	7/1/22-6/30/23	-	\$ 2,504,516	\$ (2,504,516)	-	-	-	\$ 245,031	\$ 2,504,516
Security Aid	23-495-034-5120-084	483,794	7/1/22-6/30/23	-	483,794	(483,794)	-	-	-	47,332	483,794
Equilization Aid	23-495-034-5120-078	11,223,051	7/1/22-6/30/23	-	11,223,051	(11,223,051)	-	-	-	1,098,015	11,223,051
Stabilization Aid	Not Available	2,819,533	7/1/22-6/30/23	-	2,819,533	(2,819,533)	-	-	-	-	2,819,533
Total State Aid Public:				-	17,030,894	(17,030,894)	-	-	-	1,390,378	17,030,894
Transportation Aid	23-495-034-5120-014	228,519	7/1/22-6/30/23	-	228,519	(228,519)	-	-	-	22,357	228,519
Extraordinary Aid	23-495-034-5120-044	801,340	7/1/22-6/30/23	-	-	(801,340)	-	\$ (801,340)	-	-	801,340
Extraordinary Aid	22-495-034-5120-044	680,874	7/1/21-6/30/22	\$ (680,874)	680,874	-	-	-	-	-	-
Additional Non-Public Transportation Aid	23-495-034-5120-014	29,846	7/1/22-6/30/23	-	-	(29,846)	-	(29,846)	-	-	29,846
Additional Non-Public Transportation Aid	22-495-034-5120-014	21,620	7/1/21-6/30/22	(21,620)	21,620	-	-	-	-	-	-
Securing Our Children's Future Bond (Alyssa's Law)	Not Available	153,024	7/1/22-6/30/23	-	-	(46,224)	-	-	-	-	46,224
Add. or Compensatory Spec Ed. & Related Services	Not Available	265,574	7/1/22-6/30/23	-	143,461	(265,574)	-	(122,113)	-	-	265,574
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	2,380,419	7/1/22-6/30/23	-	2,265,747	(2,380,419)	-	(114,672)	-	-	2,380,419
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	2,196,161	7/1/21-6/30/22	(107,932)	107,932	-	-	-	-	-	-
TPAF - Post Retirement											-
Medical (Noncash Assistance)	23-495-034-5094-001	2,793,473	7/1/22-6/30/23	-	2,793,473	(2,793,473)	-	-	-	-	2,793,473
TPAF - Pension											-
Contributions (Noncash Assistance)	23-495-034-5094-002	10,633,799	7/1/22-6/30/23	-	10,633,799	(10,633,799)	-	-	-	-	10,633,799
TPAF - Long-Term Disability											-
Insurance (Noncash Assistance)	23-495-034-5094-004	3,195	7/1/22-6/30/23	-	3,195	(3,195)	-	-	-	-	3,195
Total General Fund				(810,426)	33,909,514	(34,213,283)	-	(1,067,971)	-	1,412,735	34,213,283
Special Revenue Fund:											
Non-Public Aid:											
Climate Change Grant	23-100-034-5063-359	6,660	7/1/22-6/30/23	-	6,000	(6,000)	-	-	-	-	6,000
SDA Emergent Needs and Capital Maintenance	NA	94,046	7/1/22-6/30/23	-	94,046	(73,320)	20,726	-	-	-	73,320
STEM Grant					928	(1,733)		(805)			805
Total Special Revenue				-	100,974	(81,053)	20,726	(805)	-	-	80,125
Debt Service Fund:											
Debt Service Aid	23-495-034-5120-075	558,485	7/1/22-6/30/23	-	558,485	(558,485)	-	-	-	-	558,485
Total Debt Service Fund				-	558,485	(558,485)	-	-	-	-	558,485

**LACEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EXHIBIT K-4
Sheet 2 of 2**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE June 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	BALANCE, JUNE 30, 2023			MEMO	
							UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<u>New Jersey Department of Agriculture:</u>											
Enterprise Fund:											
National School Lunch Program	23-100-010-3350-023	\$ 19,670	7/1/22-6/30/23	-	\$ 18,720	\$ (19,670)	-	\$ (950)	-	-	\$ 19,670
National School Lunch Program	22-100-010-3350-023	29,676	7/1/21-6/30/22	\$ (1,964)	1,964	-	-	-	-	-	-
National School Breakfast Program	23-100-010-3350-023	2,081	7/1/22-6/30/23		1,932	(2,081)		(149)			2,081
Total Enterprise Fund				(1,964)	22,616	(21,751)	-	(1,099)	-	-	21,751
<u>New Jersey Department of Community Affairs:</u>											
Non-Public Aid:											
Local Recreation Improvement Grant	NA	70,000	7/1/22-6/30/23	-	70,000	(70,000)	-	-	-		70,000
Total Non-Public Aid				-	70,000	(70,000)	-	-	-	-	70,000
Total State Financial Assistance				\$ (812,390)	\$ 34,661,589	\$ (34,944,572)	\$ 20,726	\$ (1,069,875)	\$ -	\$ 1,412,735	\$ 34,943,644
State Financial Assistance Programs Not Subject to Calculation for Major Program Determination:											
TPAF - Post Retirement											
Medical (Noncash Assistance)	23-495-034-5094-001	2,793,473	7/1/22-6/30/23			\$ 2,793,473					
TPAF - Pension											
Contributions (Noncash Assistance)	23-495-034-5094-002	10,633,799	7/1/22-6/30/23			10,633,799					
TPAF - Long-Term Disability											
Insurance (Noncash Assistance)	23-495-034-5094-004	3,195	7/1/22-6/30/23			3,195					
Total State Financial Assistance Programs Not Subject to Calculation for Major Program Determination						\$ (21,514,105)					

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

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, Lacey Township School District. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. The Board of Education is defined in Note 1 (A) 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.

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 Title 2, *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 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.

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 last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A.18A:22-4.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) (of twenty (20)) state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A.18A:22-4.2.

**BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$232,064 for the general fund and an increase of \$590,896 in 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 are as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 99,494	\$ 34,445,347	\$ 34,544,841
Special Revenue Fund	4,264,192	118,953	4,383,145
Debt Service Fund		558,485	558,485
Food Service Fund	<u>919,158</u>	<u>21,753</u>	<u>940,911</u>
Total Awards and Assistance	<u>\$ 5,282,844</u>	<u>\$ 35,144,538</u>	<u>\$ 40,427,382</u>

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.

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no federal or state loans outstanding.

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 Contribution and Post-Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023. 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, 2023.

The State of New Jersey also makes TPAF post-retirement medical, pension contribution and long-term disability insurance expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 15-08 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Financial Assistance, as directed by the funding agency.

7. INDIRECT COSTS

The District did not use the 10% de minimus indirect cost rate.

**BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, dated March 26, 2024

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no

2. Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

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 deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated March 26, 2024

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of the Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	Cluster: <u>Title I</u>
<u>84.027, 84.027X, 84.173, 84.173X</u>	Cluster: <u>IDEA Part B Regular, IDEA Preschool, ARP-IDEA Reg & P.S.</u>
<u>10.553 & 10.555</u>	Cluster: <u>Child Nutrition Project – National School Lunch/Breakfast</u>
<u>84.425U</u>	Cluster: Education Stabilization Fund, ESSER III, ARP ESSER, <u>ARP Accelerated Learning ARP Comprehensive & Summer Learning,</u>
	<u>Emergency, Beyond the School Day</u>

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

Auditee qualified as low-risk auditee? yes X no

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

State Financial Assistance

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

1. Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: Unmodified, dated
March 26, 2024

Internal Control over major programs:

1. Material weakness(es) identified? Yes X no

2. Significant deficiency(ies) identified that are not considered
to be material weakness(es): yes X none reported

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular Letter 15-08? yes X no

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program</u>
<u>23-495-034-5120-089</u>	Cluster: <u>Categorical Special Education Aid</u>
<u>23-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>23-495-034-5120-499</u>	<u>Stabilization Aid</u>
<u>23-495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>22-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contribution</u>

Section II - Schedule of Financial Statement Findings

None

**Section III - Schedule of State Financial Assistance
Findings and Questioned Costs**

None

BOARD OF EDUCATION
LACEY TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FOR THE YEAR ENDED JUNE 30, 2022:

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