

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE  
LAKEHURST BOARD OF EDUCATION**

**401 Union Avenue  
Lakehurst, New Jersey 08733**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by**

**Lakehurst Board of Education  
Finance Department**

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## INTRODUCTORY SECTION



Mrs. Loren Fuhring  
Superintendent

**Lakehurst School District**  
**Lakehurst Elementary School**

401 Union Avenue, Lakehurst, NJ 08733

732-657-5751

732-657-9023 (fax)

[www.lakehurstschool.org](http://www.lakehurstschool.org)



Mr. Joseph A. Firetto  
Business Administrator

March 7, 2024

Honorable President and Members  
of the Board of Education  
Lakehurst School District  
Lakehurst, NJ 08733

Dear Board Members:

The Annual Comprehensive Financial Report of the Lakehurst School District (the "District") for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Lakehurst Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the 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 tables 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 tables 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 of 1984 and in addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 US *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08. Information related to this single audit, including the auditors' 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 District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Lakehurst Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 8<sup>th</sup>. These include regular, vocational as well as special education for disabled Pre-K youngsters. The District completed the 2023 fiscal year with an enrollment of 381 students as of June 30, 2023, which is the same number students as the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eight (8) years.

Average Daily Enrollment

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Increase/(Decrease)</u>
2023	381	0.00%
2022	381	1.33%
2021	376	(5.76%)
2020	399	(9.11%)
2019	439	2.57%
2018	428	(8.74%)
2017	469	(2.09%)
2016	479	(13.07%)

2. **ECONOMIC CONDITION AND OUTLOOK:** Lakehurst is a community that has little to no ratables to establish a firm tax base to support its education program. There is an attempt to revitalize the downtown district and there are several new housing developments that have been approved and will add not only to the tax base but, more importantly, to the educational costs.
3. **MAJOR INITIATIVES:** Lakehurst Board of Education continues to analyze data and enhance the standards related to student achievement. Our teaching Staff has engaged in data review to determine standards students need additional support in mastering. We continue to provide staff training to support the diverse school community we serve. We continue to expand our STEM programs and implement them into our curriculum as we prepare our students for the high school level. Our newest initiative is to further develop our infrastructure with the infusion of federal grants as well as building capital reserves for future needs.
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 accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.



As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, 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 projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. These amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.
6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds as explained in the "Notes to the Financial Statements", Note 2.
7. **DEBT ADMINISTRATION:** The School District had outstanding debt as of June 30, 2023 of \$196,000. The remaining annual maturity schedule for principal as well as annual interest payments are detailed in the "Notes to Financial Statements", Note 9.
8. **FINANCIAL STATUS:** The Business Administrator and the Board of Education continue to guide the District with fiscal prudence while working within the limitations imposed by the state's 2% cap on the annual increase of the tax revenue collected from the Borough of Lakehurst. The business office utilizes purchasing co-operatives, state contracts and bids to purchase the materials needed to operate the District at the lowest possible price.
9. **OTHER INFORMATION:**

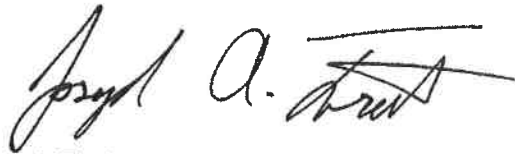
**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Gerard Stankiewicz, CPA, PSA of the accounting firm of Samuel Klein and Company, Certified Public Accountants, was selected by the Board's Finance Committee. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 US *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



Loren Fuhring  
Superintendent of Schools



Joseph Firetto  
School Business Administrator/Board Secretary

**LAKEHURST BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
James Maiden, President .....	2024
David Burtan, Vice President.....	2025
Deborah Pease .....	2024
Joel Merkin.....	2023
Amy Lowe .....	2023

Other Officials

Loren Fuhring, Superintendent of Schools

Joseph Firetto, School Business Administrator

Elizabeth D'Aobisio, School Treasurer

Michael Pattanite, Jr., Esq., Attorney

**LAKEHURST BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2023**

**AUDIT FIRM**

Gerard Stankiewicz, CPA, RMA, PSA  
of the firm  
Samuel Klein and Company, LLP  
36 West Main Street  
Suite 303  
Freehold, New Jersey 07728

**ATTORNEY**

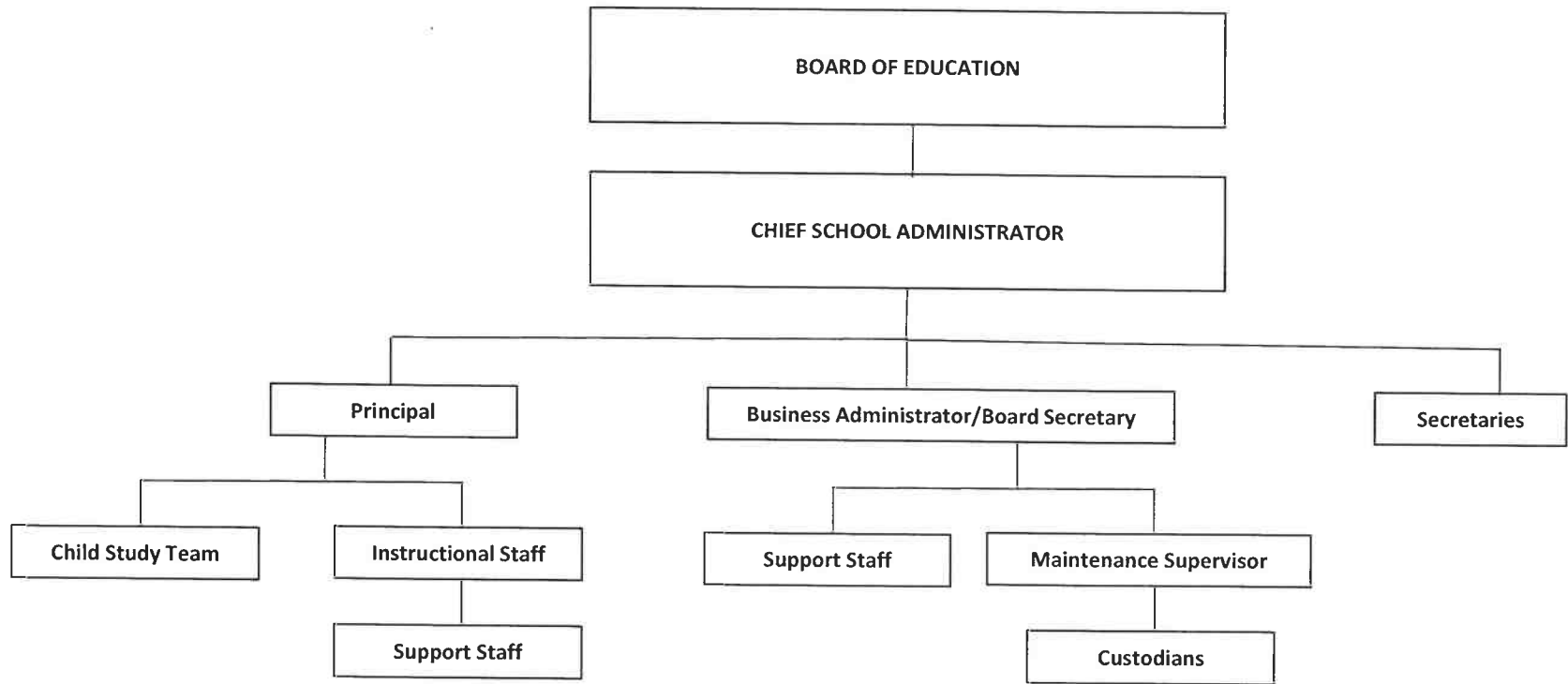
Michael Pattanite, Jr., Esq.  
Lenox Law Firm  
136 Franklin Corner Road, Unit 23  
Lawrenceville, NJ 086458

**OFFICIAL DEPOSITORIES**

PNC Bank  
2001 Highway 70  
Lakehurst, New Jersey 08882

TD Bank  
2570 Route 37  
Manchester, New Jersey 08759

LAKEHURST BOARD OF EDUCATION  
ORGANIZATIONAL CHART  
(UNIT CONTROL)



**FINANCIAL SECTION**

# SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

## INDEPENDENT AUDITOR'S REPORT

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

### 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 Lakehurst 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 Lakehurst 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 (*Government Auditing Standards*), 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 Lakehurst 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 of Lakehurst 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 7, 2024, on our consideration of the Board of Education of Lakehurst 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 Lakehurst 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 Lakehurst 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 7, 2024

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**



Mrs. Loren Fuhring  
Superintendent

**Lakehurst School District**  
**Lakehurst Elementary School**  
401 Union Avenue, Lakehurst, NJ 08733  
732-657-5751  
732-657-9023 (fax)  
[www.lakehurstschool.org](http://www.lakehurstschool.org)



Mr. Joseph A. Firetto  
Business Administrator

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
[UNAUDITED]**

March 7, 2024

Honorable President and Members  
of the Board of Education  
Lakehurst School District  
Lakehurst, NJ 08733

**Management's Discussion and Analysis**

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

### ***Government-Wide GASB #34***

In total, net position deficit totaled \$1,456,776 which represents a \$269,340 or 18.58% increase from 2022 net position as adjusted, which is attributed to a higher level of revenues and an increase in expenditures.

General revenues accounted for \$10,138,776 or 84.50% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for \$1,722,497 or 14.50% of total revenues of \$11,861,273.

The District had \$11,649,835 in expenses; only \$1,845,059 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and state aid) of \$9,987,829 were adequate to provide for these programs.

### ***Basic Financial Statements***

Total net position of governmental activities increased by \$364,690 as cash and cash equivalents increased by \$276,223, receivables decreased by \$499,457 and liabilities decreased by \$70,289.

Among major funds, the General Fund had \$10,613,804 in revenues and \$10,818,524 in expenditures. The General Fund's fund balance decreased \$243,136 over 2022, which was caused by an excess of expenditures over revenues. The General Fund's fund balance is \$87,707.

### **Using this Annual Comprehensive Financial Report (ACFR)**

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the 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 District, presenting both an aggregate view of the District's finances and 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 District's most significant funds with all other non-major funds presented in total in one column. In the case of the Lakehurst School District, the General Fund is by far the most significant.

### **Reporting the District as a Whole**

#### **Statement of Net Position and the Statement of Activities**

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially During Fiscal Year 2023". The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. 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 District's net position and changes in those assets. This change in net position is important because they report on whether the District's financial position has improved or diminished.

In the Statement of Net Position and the Statement of Activities, the District is divided into two kinds of activities:

**Governmental activities** — All of the 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 expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

## **Reporting the District's Most Significant Funds**

### **Fund Financial Statement**

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 28-29 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, child care initiative and Falcon Care.

The basic proprietary fund financial statements can be found on pages 31-33 of this report.

## **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 34-82 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 26-27 of this report.

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,456,776 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 Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
<b>Assets</b>						
Current and other assets	\$ 681,668	\$ 648,714	\$ 13,140	\$ (64,838)	\$ 694,808	\$ 583,876
Capital assets, net	596,449	181,712	-	-	596,449	181,712
<b>Total Assets</b>	<b>\$ 1,278,117</b>	<b>\$ 830,426</b>	<b>\$ 13,140</b>	<b>\$ (64,838)</b>	<b>\$ 1,291,257</b>	<b>\$ 765,588</b>
<b>Deferred Outflows of Resources</b>						
Pension	180,139	215,875			180,139	215,875
<b>Total Deferred outflows of resources</b>	<b>\$ 180,139</b>	<b>\$ 215,875</b>			<b>\$ 180,139</b>	<b>\$ 215,875</b>
<b>Liabilities</b>						
Current and other liabilities	\$ 838,167	\$ 337,749	\$ 9,829		\$ 847,996	\$ 337,749
Net pension liability	1,421,683	1,068,800			1,421,683	1,068,800
Long-term liabilities outstanding	218,671	284,415			218,671	284,415
<b>Total Liabilities</b>	<b>\$ 2,478,521</b>	<b>\$ 1,690,964</b>	<b>\$ 9,829</b>	<b>\$ -</b>	<b>\$ 2,488,350</b>	<b>\$ 1,690,964</b>
<b>Deferred Inflow of Resources</b>						
	\$ 445,465	\$ 1,016,615			\$ 445,465	\$ 1,016,615
<b>Net Position</b>						
Net investment in capital assets	\$ 325,226	\$ 232,802			\$ 325,226	\$ 232,802
Restricted	17,383	21,892			17,383	21,892
Unrestricted (deficit)	(1,802,697)	(1,915,972)	\$ 3,312	(64,838)	(1,799,385)	(1,980,810)
<b>Total Net Position</b>	<b>\$ (1,460,088)</b>	<b>\$ (1,661,278)</b>	<b>\$ 3,312</b>	<b>\$ (64,838)</b>	<b>\$ (1,456,776)</b>	<b>\$ (1,726,116)</b>

The District's combined net position deficit was \$1,456,776 on June 30, 2023. This is an increase of \$269,340 or 15.60% 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 decreased from the prior year due to the amount of new additions associated with the District's capital projects that were significantly less than the amount of depreciation on capital assets in the current year.

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

Unrestricted net position – Governmental Activities increased by \$113,275 which was caused primarily by less operating expenditures.

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



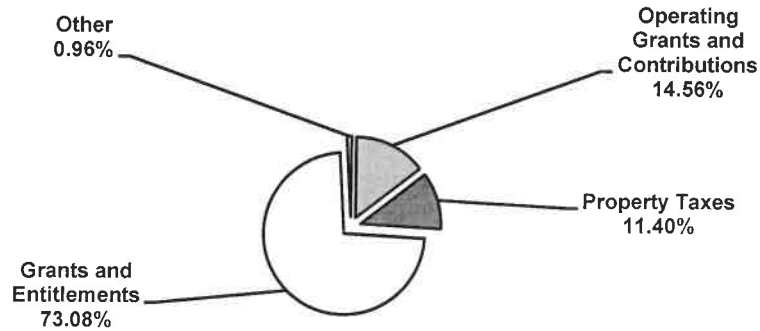
**Table 2 – Comparative Statement of Changes in Net Position**

	<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>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services		\$ 6,878	\$ 92,562	\$ 39,764	\$ 92,562	\$ 46,642
Operating Grants and Contributions	\$ 1,722,497	1,918,075	209,818	301,743	1,932,315	2,219,818
General Revenue:						
Property Taxes	1,346,643	1,351,253			1,346,643	1,351,253
Federal and State Aid	8,640,186	8,331,017			8,640,186	8,331,017
Miscellaneous	151,947	(13,277)			151,947	(13,277)
<b>Total Revenue</b>	<b>\$ 11,861,273</b>	<b>\$ 11,593,946</b>	<b>\$ 302,380</b>	<b>\$ 341,507</b>	<b>\$ 12,163,653</b>	<b>\$ 11,935,453</b>
<b>Expenses:</b>						
Instruction	\$ 3,744,476	\$ 3,260,665			\$ 3,744,476	\$ 3,260,665
Tuition	2,944,151	2,865,519			2,944,151	2,865,519
Student and Instruction						
Related Services	779,106	1,247,612			779,106	1,247,612
School Administration	354,661	278,667			354,661	278,667
General Administration	486,254	329,936			486,254	329,936
Operation and Maintenance						
of Facilities	531,957	468,633			531,957	468,633
Pupil Transportation	708,569	249,715			708,569	249,715
Interest on Debt	13,791	15,140			13,791	15,140
Unallocated Depreciation	29,933	29,933			29,933	29,933
Unallocated Amortization	38,007				38,007	-
Unallocated Health Benefits	1,963,781	2,263,936			1,963,781	2,263,936
Capital Outlay		217,114			-	217,114
Business-Type Activities			\$ 272,189	\$ 320,801	272,189	320,801
<b>Total Expenses</b>	<b>\$ 11,594,686</b>	<b>\$ 11,226,870</b>	<b>\$ 272,189</b>	<b>\$ 320,801</b>	<b>\$ 11,866,875</b>	<b>\$ 11,547,671</b>
Special and Extraordinary Items, Net	(27,428)				(27,428)	-
Transfers	(37,959)	(17,093)	37,959	17,093	-	-
<b>Change in Net Position</b>	<b>201,200</b>	<b>349,983</b>	<b>68,150</b>	<b>37,799</b>	<b>269,350</b>	<b>387,782</b>
Net Position - Beginning	(1,661,278)	(2,011,261)	(64,838)	(102,637)	(1,726,116)	(2,113,898)
<b>Net Position - Ending</b>	<b>\$ (1,460,078)</b>	<b>\$ (1,661,278)</b>	<b>\$ 3,312</b>	<b>\$ (64,838)</b>	<b>\$ (1,456,766)</b>	<b>\$ (1,726,116)</b>

## Governmental Activities

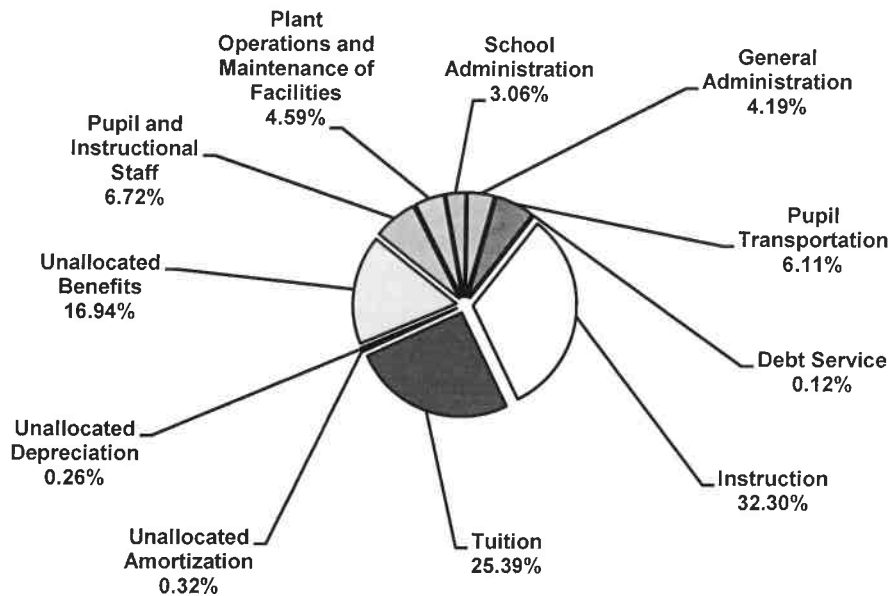
### Revenue for Fiscal Year 2023

The total revenues of the governmental activities for the year ended June 30, 2023 were \$11,861,273. Property taxes as approved by the District made up \$1,346,643 or 11.40% of revenues for governmental activities for the fiscal year 2023. Federal, state and local grants accounted for \$8,640,186 or 73.08% and operating grants and contributions of \$1,722,497 or 14.56%.



### Expenses for Fiscal Year 2023

The total cost of all programs and services was \$11,594,686. Instruction comprises 32.30% of the District's expenses.



## **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 \$21,089.
- Charges for services represent \$35,862 or 15.07% 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 was \$202,111 or 84.93% of revenue.
- There was a cumulative deficit that was fully funded by the board during the 2022 – 2023 school year.

### Before/After Care

- Revenues for the District's business-type activities for the before/after care program are comprised of charges for services and nonoperative revenues.
- Food service revenues exceeded expenditures by \$9,102.
- Charges for services represent \$56,700 or 88.03% of revenue. This represents amounts paid by patrons for daily food service, as well as special functions.
- Nonoperating revenues was \$7,707 or 11.97% 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		
	2022-2023	2021-2022	% Change	2022-2023	2021-2022	% Change
Instruction	\$ 3,744,476	\$ 3,260,665	14.84%	\$ 2,465,122	\$ 2,351,268	4.84%
Support Services:						
Pupils and Instructional Staff	779,106	1,247,612	-37.55%	335,963	418,816	-19.78%
Tuition	2,944,151	2,865,519	2.74%	2,944,151	2,865,519	2.74%
General Administration	486,254	174,627	178.45%	486,254	174,627	178.45%
School Administration	354,661	433,976	-18.28%	354,661	433,976	-18.28%
Operations & Maintenance of Facilities	531,957	468,633	13.51%	531,957	468,633	13.51%
Pupil Transportation	708,569	249,715	183.75%	708,569	249,715	183.75%
Unallocated Depreciation	29,933	29,933		29,933	29,933	
Unallocated Amortization	38,007		100.00%	37,528		100.00%
Unallocated Benefits	1,963,781	2,263,936	-13.26%	1,963,781	2,263,936	-13.26%
Debt Service	13,791	15,140	-8.91%	13,791	15,140	-8.91%
<b>Total Expenses</b>	<b>\$ 11,594,686</b>	<b>\$ 11,009,756</b>		<b>\$ 9,871,710</b>	<b>\$ 9,271,563</b>	

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

Extracurricular activities include expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

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 include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities 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, to school curricular and athletic activities and field trips as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

## 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 below 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 of \$15,500 by approximately \$136,447 as a result mostly of a refund of Tuition, Insurance proceeds and refund of prior year expenditures.

### Expenditures

- Total regular programs – instruction final budget was less than the original budget by \$19,273 or 1.21%. Actual expenditures of \$1,575,469. represented 99.95% of budget. The decrease in the budget was caused by less of a need expenditures for undistributed instruction.
- Total special education – instruction final budget was lower than the original budget by \$61,713 or 5.96%. Actual expenditures of \$960,748 or 98.66% of budget. The increase in the budget was caused by more of a need expenditures for undistributed instruction.
- Total instructional expenditures final budget was lower than the original budget by \$97,505 or 3.63%. Actual total instructional expenditures were \$2,573,098 or 99.47% of the budget. The decrease in the budget was caused by reduced need for teacher related salaries and purchased services.
- Total undistributed instructional expenditures final budget was lower than the original budget by \$94,154 or 3.10 %. Actual total instructional expenditures were \$2,944,150 or 100.00% of the budget. The decrease in the budget was caused by reduced need for teacher related salaries and purchased services.
- Total undistributed expenditures – other support extraordinary services final budget was lower than the original budget by \$63,077 or 27.81%. Expenditures were \$163,693 or 100.00% of final budget.
- Undistributed – tuition – final budget was less than the original by \$94,154, or 3.10%. Actual expenditures were \$2,944,151 or 100.00%.
- Undistributed – other support services – general administration – final budget was higher than the original by \$24,838 or 12.91% Actual expenditures were \$217,214 or 100.00% of the budget.
- Undistributed – other support services – central services – final budget was higher than the original by \$83,716 or 30.15% Actual expenditures were \$361,355 or 100.00% of the budget.

- Total undistributed expenditures – other support students – student related services final budget was less than the original by \$164,891 or 31.21%. Actual expenditures were \$668,492 or 96.42% of final budget.
- Total undistributed expenditures – other operation of maintenance and plant – final budget was higher than the original by \$14,711 or .29%. Actual expenditures were \$3,956,608 or 80.27% of final budget.
- Total undistributed expenditures – unallocated benefits final budget was higher than the original by \$6,791 or 0.60%. Actual expenditures were \$1,066,840 or 94.38% of final budget.
- Undistributed – student transportation final budget was higher than the original budget by \$436,106 or 159.44%. Actual expenditures of \$709,642 represented 100.00% of budget.
- The capital outlay portion of the budget was adjusted based on the needs of the District.
- The current expense portion of the budget as modified (final) was \$463,063 or 5.31%. less than the adopted budget. Total expenditures net of on-behalf payment was \$9,095,080 or 98.95% of the budget.

### The District's Funds

Information about the District's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds, except for capital projects, had total revenues of \$12,636,703 and expenditures of \$12,940,006.

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 governmental funds exclusive of the capital projects fund for the fiscal year ended June 30, 2023, and the amount of increases 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	\$ 1,499,590	11.87%	\$ 1,397,377	12.02%	\$ 102,213
State Sources	9,563,957	75.68%	8,938,229	76.89%	625,728
Federal Sources	1,573,156	12.45%	1,289,617	11.09%	283,539
	<u>\$ 12,636,703</u>	<u>100.00%</u>	<u>\$ 11,625,223</u>	<u>100.00%</u>	<u>\$ 1,011,480</u>

The increase in Local Sources is attributed to an increase in miscellaneous revenue and tax levy.

The increase in State Sources is attributed to an increase in general fund state aid and in on-behalf payments.

The increase in Federal Sources is caused by the fact that more expenditures were incurred in 2023 mostly attributed to Covid Aid.

The following schedule presents a comparative summary of governmental fund expenditures exclusive of the capital projects fund for the fiscal year ended June 30, 2023, and the amount of increases and decreases in relation to prior year expenditures.

### 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	
Instruction	\$ 3,750,148	28.98%	\$ 3,275,416	28.25%	\$ 474,732
Undistributed Expenditures	8,781,530	67.86%	7,994,576	68.96%	786,954
Capital Outlay	306,887	2.37%	218,114	1.88%	88,773
Debt Service	101,440	0.79%	105,040	0.92%	(3,600)
	<u>\$ 12,940,005</u>	<u>100.00%</u>	<u>\$ 11,593,146</u>	<u>100.00%</u>	<u>\$ 1,346,859</u>

The increase in Current – Instruction is attributed to the increased costs of salaries for teachers and the increased costs of other instructional programs and supplies.

The increase in Undistributed Expenditures relates to increases in special education tuition and health benefits and other employee benefits.

The increase in capital outlay is primarily due to a budgeted increase from the prior year.

### General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During the course of the fiscal year 2023, the District amended its general fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Business Administrator, Superintendent and Board of Education. Transfers were necessitated during the year were not significant in consideration of specific line items; however, a provision for unemployment was made for pending reduction of staff and retirement sick pay.

While the District final budget for the general fund anticipated that revenues and expenditures would roughly equal, the actual results for the year shows a surplus increase of \$269,340 caused primarily by an increase in miscellaneous revenue and lower level of expenditures.

## Capital Assets

At the end of the fiscal year 2023, the School District had \$2,384,270 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
Building and Building Improvements	\$ 151,778	\$ 181,711			\$ 151,778	\$ 181,711
Machinery and Equipment	306,888	1	\$ 11,734	\$ 11,734	318,622	11,735
Right to Use	131,029	-			131,029	-
Total Capital Assets - Net of Depreciations	<u>\$ 589,695</u>	<u>\$ 181,712</u>	<u>\$ 11,734</u>	<u>\$ 11,734</u>	<u>\$ 601,429</u>	<u>\$ 193,446</u>

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

Overall capital assets (net) decreased from 2022 to 2023. The decrease in capital assets is primarily due to annual depreciation was in excess of fixed asset additions.

## Debt Administration

At the end of the fiscal year 2023 and 2022, the School District had outstanding debt as follows:

**Table 5 – Debt Administration**

	June 30,	
	2023	2022
Governmental Activities:		
Compensated Absences	\$ 77,337	\$ 88,415
Serial Bonds	196,000	286,000
Leases	9,111	
Subscription	66,111	
	<u>\$ 348,559</u>	<u>\$ 374,415</u>

Refer to Notes to Financial Statements Note 9 for more detailed information.



### **For the Future**

The District is sufficiently funded to meet the educational and capital requirements.

The Primary concern the District faces is the Borough of Lakehurst's inability to increase the tax base. The town is primarily residential with very few commercial ratables; thus the burden of taxes levied by the District falls squarely on the homeowners. The Borough of Lakehurst in October 2022 went through a reassessment of properties.

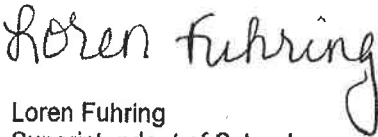
The District plans to continue to utilize the 2% tax levy cap to increase their financial base as well to meet the educational needs of each child of the District.

In Closing, the District's Board of Education will continue to practice long term financial planning. The District is proud of its system and personnel for budgeting and evolving internal financial control. Moreover, the Administration is determined to continue to address the educational needs of the students, improve/repair the infrastructure of our facilities while delivering a responsible budget to the taxpayers of the Borough of Lakehurst.

### **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 District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Joseph Firetto, School Business Administrator/Board Secretary at the Lakehurst Board of Education, 401 Union Ave, Lakehurst, NJ 08733.

Respectfully submitted,



Loren Fuhring  
Superintendent of Schools



Joseph Firetto  
Board Secretary/School Business Administrator

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**BOARD OF EDUCATION  
LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 188,434		\$ 188,434
Receivables - Net	493,234	\$ 12,505	505,739
Interfund Receivable		635	635
Capital Assets, Net:			
Nondepreciable	51,090		51,090
Depreciable	458,666		458,666
Right of Use	86,693		86,693
Total Assets	<u>\$ 1,278,117</u>	<u>\$ 13,140</u>	<u>\$ 1,291,257</u>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>			
Pension	<u>\$ 180,139</u>		<u>\$ 180,139</u>
	<u>\$ 180,139</u>		<u>\$ 180,139</u>
<b><u>LIABILITIES</u></b>			
Cash Overdraft		\$ 112	\$ 112
Accounts Payable	\$ 124,354	9,717	134,070
Interfund Payable	635		635
Other Current Liabilities	842		842
Payroll Deductions and Withholdings Payable	264,410		264,410
Unearned Revenue	310,435		310,435
Accrued Interest on Noncurrent Debt	1,960		1,960
Net Pension Liability	1,421,683		1,421,683
Noncurrent Liabilities:			
Due Within One Year	135,531		135,531
Due Beyond One Year	213,028		213,028
Total Liabilities	<u>\$ 2,472,878</u>	<u>\$ 9,829</u>	<u>\$ 2,482,707</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>			
Pension	<u>\$ 445,465</u>		<u>\$ 445,465</u>
<b><u>NET POSITION</u></b>			
Invested in Capital Assets	\$ 325,226		\$ 325,226
Restricted	17,383		17,383
Unrestricted (Deficit)	<u>(1,802,697)</u>	<u>\$ 3,312</u>	<u>(1,799,385)</u>
Total Net Position	<u>\$ (1,460,088)</u>	<u>\$ 3,312</u>	<u>\$ (1,456,776)</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION  
LAKEHURST 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
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 1,573,086			\$ (1,573,086)		\$ (1,573,086)
Special Education	2,134,565		\$ 1,279,354	(855,211)		(855,211)
Other Instruction	36,825			(36,825)		(36,825)
Support Services:						
Tuition	2,944,151			(2,944,151)		(2,944,151)
Student and Instruction Related Services	779,106		443,143	(335,963)		(335,963)
General Administrative Services	486,254			(486,254)		(486,254)
School Administrative Services	354,661			(354,661)		(354,661)
Plant Operations and Maintenance	531,957			(531,957)		(531,957)
Pupil Transportation	708,569			(708,569)		(708,569)
Unallocated Depreciation	29,933			(29,933)		(29,933)
Unallocated Amortization	38,007			(38,007)		(38,007)
Unallocated Benefits	1,963,781			(1,963,781)		(1,963,781)
Interest on Noncurrent Debt	13,791			(13,791)		(13,791)
<b>Total Governmental Activities</b>	<b>\$ 11,594,686</b>		<b>\$ 1,722,497</b>	<b>\$ (9,872,189)</b>		<b>\$ (9,872,189)</b>
<b>Business-Type Activities:</b>						
Food Service Fund	\$ 216,884	\$ 35,862	\$ 202,111		\$ 21,089	\$ 21,089
Before/After Care Program	55,305	56,700	7,707		9,102	9,102
<b>Total Business -Type Activities</b>	<b>\$ 272,189</b>	<b>\$ 92,562</b>	<b>\$ 209,818</b>		<b>\$ 30,191</b>	<b>\$ 30,191</b>
<b>Total Primary Government</b>	<b>\$ 11,866,875</b>	<b>\$ 92,562</b>	<b>\$ 1,932,315</b>	<b>\$ (9,872,189)</b>	<b>\$ 30,191</b>	<b>\$ (9,841,998)</b>
<b>General Revenues</b>						
Taxes:						
General Purposes				\$ 1,246,203		\$ 1,246,203
Debt Service				101,440		101,440
Federal and State Aid Not Restricted				8,640,186		8,640,186
Transfers				(37,959)	\$ 37,959	
Miscellaneous Income				151,947		151,947
<b>Total General Revenues</b>				<b>10,101,817</b>	<b>37,959</b>	<b>10,139,776</b>
Excess				229,628	68,150	297,778
Special and Extraordinary Items, Net				(27,428)		(27,428)
Change in Net Position				\$ 202,200	\$ 68,150	\$ 270,350
Net Position - Beginning				(1,661,278)	(64,838)	(1,726,116)
Prior Period Adjustment				(1,010)		(1,010)
				(1,662,288)	(64,838)	(1,727,126)
Net Position - Ending				<b>\$ (1,460,088)</b>	<b>\$ 3,312</b>	<b>\$ (1,456,776)</b>

See accompanying notes to financial statements.

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**BOARD OF EDUCATION  
LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 254,317			\$ 254,318
Intergovernmental Accounts Receivable	<u>99,278</u>	<u>\$ 393,956</u>	<u>1</u>	<u>493,234</u>
Total Assets	<u>\$ 353,595</u>	<u>\$ 393,956</u>	<u>\$ 1</u>	<u>\$ 747,552</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Cash Overdraft		\$ 65,884		\$ 65,884
Accounts Payable		5,557		5,557
Other Current Liabilities	\$ 842			842
Interfunds Payable	635			635
Payroll Deductions Payable	264,410			264,410
Unearned Revenue		<u>310,435</u>		<u>310,435</u>
Total Liabilities	<u>\$ 265,887</u>	<u>\$ 381,875</u>		<u>\$ 647,762</u>
Fund Balances				
Restricted:				
Capital Reserve	\$ 5,301			\$ 5,301
Student Activities		\$ 12,081		12,081
Committed for Year End Encumbrances	<u>82,406</u>			<u>82,406</u>
Total Fund Balances	<u>\$ 87,707</u>	<u>\$ 12,081</u>	<u>1</u>	<u>\$ 99,789</u>
Total Liabilities and Fund Balance	<u>\$ 353,595</u>	<u>\$ 393,956</u>	<u>\$ 1</u>	<u>\$ 747,552</u>
Total Fund Balances above				\$ 99,789
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 \$2,333,180 and the accumulated depreciation is \$1,787,821.37 (see Note 7)				
				596,449
Noncurrent liabilities, including compensated absences and lease obligation are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 9)				
				(348,560)
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.)				
				(1,960)
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, 2023, however will be raised in the budget for the fiscal year ending June 30th, 2024)				
				(118,797)
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)				
				<u>(1,687,009)</u>
				Net position of governmental activities (A-1) \$ <u>(1,460,088)</u>

See accompanying notes to financial statements



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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 1,246,203			\$ 101,440	\$ 1,347,643
Transportation Fees	67,807				67,807
Miscellaneous	84,140				84,140
	<u>1,398,150</u>			<u>101,440</u>	<u>1,499,590</u>
State Sources	8,512,712	\$ 1,051,245			9,563,957
Federal Sources	702,942	870,214			1,573,156
Total Revenues	<u>\$ 10,613,804</u>	<u>\$ 1,921,459</u>		<u>\$ 101,440</u>	<u>\$ 12,636,703</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	\$ 1,575,469				\$ 1,575,469
Special Education Instruction	960,748	\$ 1,177,051			2,137,799
Other Instruction	36,881				36,881
Support Services and Undistributed Costs:					
Tuition	2,944,151				2,944,151
Student and Instruction Related Services	372,579	407,707			780,286
Other Administrative Services	486,991				486,991
School Administrative Services	355,198				355,198
Plant Operations and Maintenance	586,582				586,582
Pupil Transportation	709,642				709,642
Employee Benefits	2,682,360	236,322			2,918,682
Debt Service:					
Principal				90,000	90,000
Interest				11,440	11,440
Capital Outlay	107,925	198,962			306,887
Total Expenditures	<u>\$ 10,818,524</u>	<u>\$ 2,020,041</u>		<u>\$ 101,440</u>	<u>\$ 12,940,006</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ (204,721)</u>	<u>\$ (98,582)</u>		<u>\$</u>	<u>\$ (303,303)</u>
Other Financing Sources/(Uses):					
Transfer In/(Out)					
Transfer From/(to)	26,972	96,266	\$ (123,238)		
Transfers to Cover Deficit (Enterprise Fund)	(37,959)				(37,959)
Miscellaneous Adjustment	(27,428)				(27,428)
Total Other Financing Sources (Uses)	<u>(38,415)</u>	<u>96,266</u>	<u>(123,238)</u>		<u>(65,387)</u>
Net Change in Fund Balances	<u>\$ (243,136)</u>	<u>\$ (2,316)</u>	<u>\$ (123,238)</u>		<u>\$ (368,690)</u>
Fund Balance - July 1	<u>330,843</u>	<u>14,397</u>	<u>123,238</u>	<u>\$ 1</u>	<u>468,479</u>
Fund Balance - June 30	<u>\$ 87,707</u>	<u>\$ 12,081</u>		<u>\$ 1</u>	<u>\$ 99,789</u>

See accompanying notes to financial statements

BOARD OF EDUCATION  
LAKEHURST 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) \$ (368,690)

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	\$	306,887	
Depreciation expense		(29,933)	
Amortization expense		(37,528)	
Miscellaneous Adjustments		<u>55,093</u>	
			294,519

Repayment of bond 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.

95,000

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.

900

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.

11,078

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

169,393

Change in Net Position of Governmental Activities (A-2)

\$ 202,200

See accompanying notes to financial statements

## **PROPRIETARY FUNDS**

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

<u>ASSETS</u>	<u>Food Service</u>	<u>Before/After Care</u>	<u>Total Enterprise Fund</u>
Current Assets:			
Cash and cash equivalents		\$ 13,028	\$ 13,028
Accounts receivable:			
State	\$ 349		349
Federal	12,156		12,156
Interfund Receivable - General Fund	635		635
Total Assets	<u>\$ 13,140</u>	<u>\$ 13,028</u>	<u>\$ 26,168</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Cash Overdraft:	\$ 13,140		\$ 13,140
Accounts Payable		\$ 9,717	9,717
Total Liabilities	<u>\$ 13,140</u>	<u>9,717</u>	<u>\$ 22,857</u>
<u>NET POSITION</u>			
Unrestricted		\$ 3,312	\$ 3,312
Total Net Position		<u>\$ 3,312</u>	<u>\$ 3,312</u>

See accompanying notes to financial statements

BOARD OF EDUCATION  
LAKEHURST 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

<u>OPERATING REVENUES</u>	<u>Food Service</u>	<u>Before/After Care</u>	<u>Total Enterprise Fund</u>
Charges for Services:			
Daily Sales - Reimbursable Meals	\$ 35,862		\$ 35,862
Fees		\$ 56,700	\$ 56,700
Total Operating Revenues	\$ 35,862	\$ 56,700	\$ 92,562
<u>OPERATING EXPENSES</u>			
Cost of Sales - Reimbursable Programs	\$ 178,686		\$ 178,686
Salaries	35,828	\$ 55,066	90,894
Supplies	2,370	239	2,609
Total Operating Expenses	\$ 216,884	\$ 55,305	\$ 272,189
Operating Income/(Loss)	\$ (181,022)	\$ 1,395	\$ (179,627)
<u>NONOPERATING REVENUES</u>			
State sources:			
State school lunch program	\$ 4,122		\$ 4,122
State breakfast program	707		707
Federal sources:			
National school lunch program	119,619		119,619
National breakfast program	40,680		40,680
Supply Chain Revenue	33,127		33,127
Miscellaneous Revenue	3,856	\$ 7,707	11,563
Total Nonoperating Revenues	\$ 202,111	\$ 7,707	209,818
Income/(loss) before contributions and transfers	\$ 21,089	\$ 9,102	\$ 30,191
Operating Transfers:			
Board Subsidy	37,959		37,959
Change in Net Position	\$ 59,048	\$ 9,102	\$ 68,150
Total Net Position - Beginning	(59,048)	(5,790)	(64,838)
Total Net Position - Ending	\$ 3,312	\$ 3,312	\$ 3,312

See accompanying notes to financial statements

**BOARD OF EDUCATION**  
**LAKEHURST BOROUGH 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		
	Food Service	After Care Program	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 35,862	\$ 56,700	\$ 92,562
Payments to Employees	(35,828)	(55,066)	(90,894)
Payments to Suppliers	(168,697)	(239)	(168,936)
Net Cash Provided by/(Used for) Operating Activities	\$ (168,663)	\$ 1,395	\$ (167,268)
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 4,829		\$ 4,829
Federal Sources	197,282		197,282
Other Financing Activities		\$ 17,423	17,423
Interfund Receivable	(635)		(635)
Board Subsidy	37,959		37,959
Net Cash Provided by Noncapital Financing Activities	\$ 239,435	17,423	256,858
Net Increase in Cash and Cash Equivalents	70,772	18,818	89,590
Balances - Beginning of Year	\$ (83,912)	(5,790)	(89,702)
Balances - End of Year	\$ (13,140)	13,028	(112)
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u>			
Operating Gain/(Loss)	\$ (181,022)	\$ 1,395	\$ (179,627)
(Increase)/Decrease in Accounts Receivable	12,359		12,359
Net Cash Provided by/(Used for) by Operating Activities	\$ (168,663)	\$ 1,395	\$ (167,268)

See accompanying notes to financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Lakehurst 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 five (5) members elected to three-year staggered terms. The purpose of the District is to educate students in grades K-8. The District had an approximate enrollment at June 30, 2023 of 381 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure 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 generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. 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.



**LAKEHURST BOROUGH 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 assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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.

**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:

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting (Continued)**

**1. Governmental Funds (Continued)**

**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 fund also includes payroll agency, payroll net, and unemployment reserve 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 fund also includes scholarship accounts and student activity accounts.

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

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. This fund is not applicable in this fiscal year.

**LAKEHURST BOROUGH 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 generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund 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 Food Service Fund and Before/After Care Program.

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 the statement of net position. Their reported fund equity (net position) is segregated into net investment in capital assets and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. 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.

**3. Noncurrent Debt**

Noncurrent liabilities expected to be financed from governmental funds are accounted for in the General Noncurrent Debt, not in the governmental funds. This includes the outstanding principal balance on capital leases.

**LAKEHURST BOROUGH 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 statement of net position. 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.

**LAKEHURST BOROUGH 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 equalization 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 long-term 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".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

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.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 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.

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 (GAAP) 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. There 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.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

**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 plus accrued interest. 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. 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.

**LAKEHURST BOROUGH 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)**

**2. Inventories and Prepaid Expenses**

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

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.

**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. Short-Term Interfund Receivables/Payables**

Short-term 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 \$2,000.00. 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.



**LAKEHURST BOROUGH 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)**

**7. Capital Assets (Continued)**

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 over the following useful lives:

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

**8. Leased 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.

**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.

**LAKEHURST BOROUGH 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)**

**11. Compensated Absences (Continued)**

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.

**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 loans 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.

**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. 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.

**15. 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.

**LAKEHURST BOROUGH 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)**

**16. Net Position**

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and established standards for reporting deferred outflows of resources, deferred inflows of resources and 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.

**17. Unearned (Deferred) Revenue**

Unearned revenue in the special revenue fund represents federal and state grants that have been received but not yet earned.

**18. 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.

**19. Fund Balance Reserves**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 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 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.

**LAKEHURST BOROUGH 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)**

**19. Fund Balance Reserves (Continued)**

- 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.
- d. 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.
- e. 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.

**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 and for before and after care.

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.

**LAKEHURST BOROUGH 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)**

**21. On-Behalf Payments**

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security, post-retirement medical pension and contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

**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 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".

**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.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Other Accounting Standards**

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *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.

**LAKEHURST BOROUGH 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.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2023 through March 7, 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.

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes 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 fair value, which is in excess of cost value. The District classifies securities that have original maturity date of more than three 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.

**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.



**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**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 could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Allocation of Cash and Cash Equivalents**

As of June 30, 2023, cash, cash equivalents and investment of all funds of the District consisted of the following:

Unrestricted		\$ 1,283,812.04
Restricted:		
Capital Reserve		77,329.85
		\$ 1,361,141.89
Reconciliation:		
Governmental Funds		\$ 1,288,305.87
Proprietary Funds		72,836.02
		\$ 1,361,141.89

**Risk Analysis** – All of the balances were covered by either federal depository insurance or Government Unit Deposit Protection Act (“GUDPA”) and are considered to have minimal custodial risk. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have concentration of credit risk.

**4. RESERVE ACCOUNTS**

**CAPITAL RESERVE**

A Capital Reserve Account was established by Board Resolution and Budget Appropriation in a prior year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The combined Capital Reserve Account balance at June 30, 2023 is \$77,329.85 and is reflected in the General Fund. The cumulative activity of the capital reserve as of June 30, 2023 fiscal year is as follows:

<b>Board Contributions:</b>		
Prior to June 30, 2022	None	
During fiscal year ended June 30, 2023	\$ 77,329.85	\$ 77,329.85
<b>Interest Earnings</b>		
Prior to June 30, 2022	\$ -	
During fiscal year ended June 30, 2023	-	None
<b>Withdrawals</b>		
Prior to June 30, 2022	\$ -	
During fiscal year ended June 30, 2023	-	None
Balance at June 30, 2023		\$ 77,329.85

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**4. RESERVE ACCOUNTS (CONTINUED)**

CAPITAL RESERVE (CONTINUED)

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. 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.

**5. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**

Intergovernmental Accounts Receivable at June 30, 2023 consisted of Federal sources, State sources and State aid. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables is as follows:

	<u>Governmental Fund</u>
General Fund:	
Federal - Tuition within State	\$ <u>4,441.25</u>
Other Sources	\$ <u>35,015.30</u>
State:	
Extraordinary Special Education Aid	\$ 36,549.00
Non-Public Transportation - Cost Reimbursement	2,496.00
TPAF FICA Reimbursement	<u>20,776.52</u>
	\$ <u>99,278.07</u>
Special Revenue Fund:	
Federal:	
Title I	\$ 93,198.00
Title I SIA	20,000.00
Title II - Part A	19,704.00
IDEA Part B	125,329.00
IDEA Preschool	4,717.00
Cares Act	5,215.00
CRRSA ESSER II	107,256.85
CRRSA Learning Acceleration	7,136.00
CRRSA Mental Health	<u>11,400.00</u>
	\$ <u>393,955.85</u>
Total	\$ <u><u>493,233.92</u></u>

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**5. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)**

	<u>Business Type</u>
Proprietary Fund:	
Enterprise Fund	
Federal Sources:	
Breakfast	\$ 3,407.87
Lunch	<u>8,748.02</u>
	\$ <u>12,155.89</u>
State Sources:	
Breakfast	\$ 61.20
Lunch	<u>288.04</u>
	\$ <u>349.24</u>
 Total	 \$ <u><u>12,505.13</u></u>

**6. INVENTORY**

There was no inventory as the Food Service Fund is administered by a neighboring district..

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**7. CAPITAL ASSETS, NET**

The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>			
Capital assets not being depreciated:			
Land	\$ 51,090.00	<u>                    </u>	\$ 51,090.00
Capital assets being depreciated:			
Building and Building Improvements	\$ 1,845,692.00		\$ 1,845,692.00
Machinery and Equipment	55,901.00	\$ 306,887.00	362,788.00
	<u>\$ 1,901,593.00</u>	<u>\$ 306,887.00</u>	<u>\$ 2,208,480.00</u>
Capital assets being amortized:			
Right of use - Lease		\$ 13,744.09	\$ 13,744.09
Right of use - Subscription		110,956.09	110,956.09
		<u>\$ 124,700.18</u>	<u>\$ 124,700.18</u>
Less accumulated depreciation for:			
Building and Building Improvements	\$ (1,663,981.00)	\$ (29,933.00)	\$ (1,693,914.00)
Machinery and Equipment	(55,900.00)		(55,900.00)
	<u>\$ (1,719,881.00)</u>	<u>\$ (29,933.00)</u>	<u>\$ (1,749,814.00)</u>
Less accumulated amortization for:			
Right of use - Lease		\$ (32,509.73)	\$ (32,509.73)
Right of use - Subscription		(5,497.64)	(5,497.64)
		<u>\$ (38,007.37)</u>	<u>\$ (38,007.37)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>\$ 181,712.00</u>	<u>\$ 276,954.00</u>	<u>\$ 458,666.00</u>
Total capital assets being amortized, net of accumulated amortization		<u>\$ 86,692.81</u>	<u>\$ 86,692.81</u>
Governmental activities capital assets, net	<u>\$ 232,802.00</u>	<u>\$ 363,646.81</u>	<u>\$ 596,448.81</u>
<u>Business-Type Activities:</u>			
Furniture, machinery and equipment	\$ 11,734.00	<u>                    </u>	\$ 11,734.00
Less accumulated depreciation for:			
Furniture, machinery and equipment	\$ (11,734.00)	<u>                    </u>	\$ (11,734.00)
Detail of Additions:			
General Fund		\$ 107,925.00	
Special Revenue Fund		198,961.75	
		<u>\$ 306,886.75</u>	

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**7. CAPITAL ASSETS, NET (CONTINUED)**

Depreciation expense was charged to functions as follows:

Regular Instruction	\$	7,071.47
Special Education Instruction		9,595.47
Other Special Instruction		165.54
Support Services and Undistributed Cost:		
Student and Instruction Related Services		3,502.30
Other Administrative Services		2,185.85
School Administrative Services		1,594.30
General and Business Administrative Services		2,632.86
Plant Operations and Maintenance		<u>3,185.21</u>
	\$	<u><u>29,933.00</u></u>

**8. UNEARNED REVENUE**

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

Federal:			
ARP ESSER III	\$	276,835.70	
ARP - Accelerated Learning		11,250.50	
ARP - IDEA Basic		<u>6,205.31</u>	\$ 294,291.51
State:			
Pre-School			<u>16,143.00</u>
	\$		<u><u>310,434.51</u></u>

**9. NONCURRENT 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	\$ 286,000.00		\$ (90,000.00)	\$ 196,000.00	\$ 95,000.00	\$ 101,000.00
Lease Obligations		\$ 14,753.54	(5,642.29)	9,111.25	5,642.29	3,468.96
Subscription Obligations		<u>110,956.09</u>	<u>(44,844.63)</u>	<u>66,111.46</u>	<u>27,155.26</u>	<u>38,956.20</u>
	286,000.00	125,709.63	(140,486.92)	271,222.71	127,797.55	143,425.16
Compensated						
Absences Payable						
	<u>88,415.00</u>		<u>(11,078.00)</u>	<u>77,337.00</u>	<u>7,733.70</u>	<u>69,603.30</u>
	<u>\$ 374,415.00</u>	<u>\$ 125,709.63</u>	<u>\$ (151,564.92)</u>	<u>\$ 348,559.71</u>	<u>\$ 135,531.25</u>	<u>\$ 213,028.46</u>

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**9. NONCURRENT DEBT (CONTINUED)**

**A. Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality(ies) through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As of June 30, 2023, the District had the following serial bonds outstanding.

General Serial Bonds:

\$1,171,000 of Improvements to Elementary School -  
 Remaining Maturities of \$101,000 and \$95,000 through  
 June 30, 2025 at interest rate of 4.00%. The bonds are  
 not subject to redemption prior to maturity. \$ 196,000.00

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.

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. This requirement has been complied with for the year ended June 30, 2023.

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

<u>Year</u>	<u>Improvements to Elementary School</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 95,000	\$ 3,800	\$ 98,800
2025	<u>101,000</u>	<u>4,040</u>	<u>105,040</u>
	<u>\$ 196,000</u>	<u>\$ 7,840</u>	<u>\$ 203,840</u>

**B. Bonds and Notes Authorized But Not Issued**

As of June 30, 2023 there were no bonds and notes authorized but not issued.

**C. 2023-2024 General Obligation Bond Sale**

Subsequent to yearend, the District issued School Bonds Series 2023 for \$3,000,000 for various improvements approved by the voters of the District. The average annual debt service is \$270,930 for the period August 15, 2023 through August 15, 2038. The bonds maturing on or after August 31, 2031 are subject to redemption.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**9. NONCURRENT DEBT (CONTINUED)**

**D. 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 earn sick leave at the rate of one day for each month of service. Upon departure from the district, teachers who have obtained tenure and ten month support staff who have completed three or more years of employment shall be paid for accumulated sick leave at the rate of  $\frac{1}{4}$  of the unused accumulated sick leave multiplied by  $\frac{1}{200}$  of the last annual contracted salary. Twelve month employees who have completed three or more years of employment shall be paid at the rate of  $\frac{1}{4}$  of the unused accumulated sick leave multiplied by  $\frac{1}{240}$  of the last annual contracted salary.

For teachers employed after September 1, 1981, the sick leave payment shall be limited to no more than \$15,000.00. For all support staff employed after September 1, 1981, the sick leave payment shall be limited to no more than \$15,000.00.

Twelve month employees earn vacation, the carryover of which is limited to August 31, of the year following the time earned.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position in the current and noncurrent liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the noncurrent liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023 no liability existed for compensated absences in the proprietary fund types.

**E. Lease Obligations**

In June 2017, the GASB issued GASB No. 87, Leases. This GASB increases the transparency and comparability of organizations by requiring the capitalization of substantially all leases on the statement of net position and disclosures of key information about leasing arrangements. Under this new guidance, at the lease commencement date, a lessee recognizes a right-of-use asset and lease obligation, which is initially measured at the present value of the future lease payments. For statement of activities purposes, a dual model was retained for lessees, requiring leases to be classified as either operating or finance leases. Under the operating lease model, lease expense is recognized on a straight-line basis over the lease term. Under the finance lease model, interest on the lease liability is recognized separately from amortization of the right-of-use assets.



**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**9. NONCURRENT DEBT (CONTINUED)**

**E. Lease Obligations (Continued)**

The District adopted this new accounting standard on July 1, 2021 on a modified retrospective basis and applied the new standard to all leases through a cumulative-effect adjustment to beginning net position. As a result, comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods. The District elected a package of practical expedients permitted under the transition guidance, which among other things, allows the carryforward of historical lease classification.

Right-of-use assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the District's obligation to make lease payments arising from the lease during the lease term. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments during the lease term. The operating lease right-of-use assets also include lease payments made before commencement, lease incentives and are recorded net of impairment. Operating leases are expensed on a straight line basis over the lease term. Finance leases are recognized as a noncurrent asset and as a finance lease liability within accrued expenses and other liabilities and other noncurrent liabilities.

Copy Machine Leases

The District entered into lease agreements for school copy machines resulting in recognition of a right-of-use asset of \$13,744 and an initial lease liability of \$14,754. The future minimum lease obligations and the net present value of the future payments, with an imputed or stated interest rate of 3.86% at June 30, 2023 are as follows:

Total minimum lease payments remaining	\$	9,111.25
Less: Amount representing interest		431.45
Present value of minimum lease payments	\$	8,679.80

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

Governmental Activities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 5,984.36	\$ 377.44	\$ 6,361.80
2025	3,126.89	54.01	3,180.90
	\$ 9,111.25	\$ 431.45	\$ 9,542.70

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**9. NONCURRENT DEBT (CONTINUED)**

**F. Subscriptions**

The implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, results in the recognition of a right-of-use asset of \$110,956.09 and an initial subscription liability of \$110,956.09. Amortization of the subscriptions are included in the capital assets.

The District entered into four (4) subscription agreements for educational software. The future minimum subscription obligations and the net present value of the future payments, with interest rates ranging from 0% to 2.75% at June 30, 2023 are as follows:

Total minimum subscription payments remaining	\$	69,436.52
Less: Amount representing interest		3,325.06
Present value of minimum subscription payments	\$	66,111.46

**Five Years and Thereafter Payments**

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

Year Ending June 30	Subscriptions		Total
	Principal	Interest	
2024	\$ 27,155.26	\$ 1,793.62	\$ 28,948.88
2025	27,893.41	1,055.47	28,948.88
2026	5,452.07	317.31	5,769.38
2027	5,610.72	158.66	5,769.38
	\$ 66,111.46	\$ 3,325.06	\$ 69,436.52

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**10. 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 the Division's annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

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

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**10. PENSION PLANS (CONTINUED)**

**Description of Plans (Continued)**

**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 the Division's annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.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:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**10. PENSION PLANS (CONTINUED)**

**Description of Plans (Continued)**

**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 are 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.

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.

During the year ended June 30, 2022 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**

Fiscal Year Ended <u>June 30,</u>	Net Cost <u>to District</u>	Percentage <u>of APC Contributed</u>	Employee <u>Contribution</u>
2023	\$ 118,797	100%	\$ 57,969
2022	105,659	100%	N/A
2021	123,051	100%	N/A

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

Fiscal Year Ended <u>June 30</u>	<u>Pension Paid on-behalf of District</u>				TPAF <u>FICA</u>
	Cost <u>(APC)</u>	APC <u>Contributed</u>	Total <u>On-Behalf of</u>	Employee <u>Contribution</u>	
2023	\$ None	100%	\$ 1,089,750	\$ 239,103	\$ 249,712
2022	None	100%	1,341,533	N/A	246,021
2021	None	100%	994,846	N/A	232,549

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**10. PENSION PLANS (CONTINUED)**

**Funding Policy: (Continued)**

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$1,081,157 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 \$249,721 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, 2023 and June 30, 2022 Independent Auditor's Report dated May 18, 2023 and July 21, 2022, respectively.

The District reported a liability of \$1,421,683 and \$1,068,800 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 (the *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, 2022, 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. The District's proportion of the collective pension liability is as follows:

	June 30,	
	<u>2022</u>	<u>2021</u>
District Proportionate Share	0.0094204977 %	0.0090220764 %
Difference - Increase	0.0003984213	

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**10. PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

For the year ended June 30, 2023, the District recognized pension benefit of \$288,190. 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	\$ 4,405	212,882
Difference between expected and actual experience	10,261	9,049
Net difference between projected and actual savings on pension plan investments	58,842	
Changes in proportion	106,631	233,534
District contributions subsequent to the measurement date	<u>118,797</u>	
Total	<u>\$ 298,936</u>	<u>\$ 455,465</u>

The \$118,797 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2024	\$ (120,926)
2025	(61,608)
2026	(30,045)
2027	65,547
2028	144

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**10. PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

Additional Information

Collective balances of the Local Group are as follows:

	June 30,	
	<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	39,123,762
Collective net pension liability	15,219,184,920	11,972,782,878
Collective pension expense/(benefit)	(1,032,778,934)	(1,599,674,464)
District's proportion (of Local Group)	0.0094204977 %	0.0090220764 %

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 Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55% (based on years 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 the period July 1, 2015 to June 30, 2021. The more the experience deviates, the larger impact on future financial statements.



**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**10. 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>
U.S. 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 7.0% 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.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**10. 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, 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:

	June 30, 2022 [ <i>Measurement Date</i> ]		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$ 1,826,446	\$ 1,421,683	\$ 1,077,213

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/gasb-notices.shtml](http://www.state.nj.us/treasury/pensions/gasb-notices.shtml).

**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, 2023 and June 30, 2022 Independent Auditor's Reports dated July 21, 2023 and February 21, 2023.

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	\$ 13,434,085
	\$ 13,434,085

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2022**

**10. 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 to June 30, 2022. 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 is as follows:

	June 30, [Measurement Date]	
	2022	2021
District Proportionate Share	0.0260378666 %	0.0255567923 %
Difference - Increase	0.0004810743	

For the year ended June 30, 2022, the District recognized pension expense of \$1,548,501 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% - 6.55% (based on years of service)
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the 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.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**10. 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 (7.00% at June 30, 2022) 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 (*measurement date*) are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. 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>	

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**10. PENSION PLANS (CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

Discount Rate

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

Sensitivity of the 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:

	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 associated with the District	\$ 15,776,837	\$ 13,455,481	\$ 11,500,030

Pension Plan Fiduciary Net Position

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

Collective balances of the Local Group are as follows:

	June 30,	
	<u>2022</u>	<u>2021</u>
Collective deferred outflows of resources	\$ 4,885,289,911	\$ 6,356,228,800
Collective deferred inflows of resources	19,563,805,393	27,175,330,929
Collective net pension liability	51,676,587,303	48,075,188,642
Collective pension expense/(benefit)	1,391,156,884	1,133,770,138
District's proportion (of Local Group)	0.0260378666 %	0.0255567923 %

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**11. 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.

State Health Benefit State Retired Employees Plan

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 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>.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**11. 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 Ended June 30,</u>	<u>Post-Retirement Medical</u>
2023	\$ 287,017.00
2022	253,970.00
2021	237,245.00

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 GASB 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. The following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's ACFR: (<https://www.nj.gov/treasury/omb/fr.shtml>).

The portion of the TPAF OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net OPEB Liability:

District's proportionate share	None
State's proportionate share associated with the District	\$ 16,095,141
	<u>\$ 16,095,141</u>

The proportion of the PERS and TPAF Net OPEB Liability associated with the District's liability is as follows:

<u>June 30, [Measurement Date]</u>	
<u>2022</u>	<u>2021</u>
0.0003177940 %	0.0003043660 %

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**11. 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:

	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
	<i>(based on service years)</i>	<i>(based on service years)</i>
Salary increases	2.75 - 6.55%	2.75 - 6.55%

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods June 30, 2018, July 1, 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 the fiscal year 2026 and decreases to 4.5% 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 4.5% long-term trend rate after eight (8) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.



**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**11. 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>		
At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
\$ 18,657,509	\$ 16,095,141	\$ 14,033,477

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

The following represents the total nonemployer OPEB associated with the District 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>		
1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$ 13,653,993	\$ 16,095,141	\$ 19,221,565

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**11. 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>	\$ 18,264,302
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 864,023
Interest Cost	426,539
Changes of Benefit Term	
Difference between Expected and Actual Expenditure	1,266,888
Changes of Assumptions	(4,317,666)
Gross Benefit Payments	(422,499)
Member Contributions	<u>13,554</u>
Net Changes	\$ (2,169,161)
Balance as of June 30, 2022 <i>[Measurement Date]</i>	<u>\$ 16,095,141</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

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

	<u><i>[Measurement Date]</i></u> <u>June 30, 2022</u>
Total OPEB Liability	\$ 16,095,141
Plan Fiduciary Net Position	None
Net OPEB Liability	\$ 16,095,141
Net Position as a Percentage of OPEB Liability	0.0%
OPEB Expense	\$ 229,195

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**11. 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 \$208,591 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB 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 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	\$ 2,785,661	\$ 5,477,907
Differences between Expected and Actual Experience	2,873,621	4,914,033
Changes in Proportion	<u>785,497</u>	<u>2,165,135</u>
Sub-total	6,444,779	12,557,075
Contributions made in Fiscal Year Ending 2023 After June 30, 2022 <i>Measurement Date</i>	<u>None</u>	<u>None</u>
Total	<u>\$ 6,444,779</u>	<u>\$ 12,557,075</u>

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

Measurement Period Ending June 30,

2024	\$ (1,458,446)
2025	(1,459,734)
2026	(1,152,730)
2027	(514,816)
2028	(115,420)
Total Thereafter	(791,800)

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Additional Information

Collective balances of the Local Education Group are as follows:

	June 30,	
	2022	2021
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.

**12. DEFERRED COMPENSATION**

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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 AXA Equitable and Met Life.

**13. RISK MANAGEMENT**

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

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

**New Jersey Unemployment Compensation Insurance:** The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

**Health Benefits:** The Board of Education has procured medical insurance coverage for its employees under a monthly per employee premium (traditional plan).

**Other Coverage:** The Board has contracted with a commercial insurance company to provide coverage for various losses. The coverages are subject to various deductibles and coverage limits based on the type of policy coverage included. The coverages and its limits are detailed in the statistical section. The Board also maintains surety bond coverage on key financial employees.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**14. INTERFUND RECEIVABLES AND PAYABLES**

There was an interfund balance of \$635.30 on the balance sheet at June 30, 2023.

**15. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$87,707 General Fund balance at June 30, 2023, \$5,301 is restricted for Capital Reserve and \$82,406 is committed for year-end encumbrances.

**Special Revenue Fund** – Of the \$12,081 Special Revenue Fund balance, all is restricted for student activities.

**Debt Service Fund** – Of the \$1 Debt Service Fund balance at June 30, 2023, all is restricted for debt service.

**16. 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 fund balance as a result of the fiscal year ended June 30, 2022 of \$0.00 and as a result of the fiscal year ended June 30, 2023 of \$34,457.10.

**17. RECONCILIATION OF FUND BALANCES – GENERAL FUND**

The surpluses are presented on a GAAP basis and reconciliation to the budget basis is as follows:

	<u>Unassigned</u>
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	\$ 751,575
Less:	
Allocation of State Aid Payment of \$663,868.00 not Recognized on GAAP Basis	<u>663,868</u>
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	\$ <u>87,707</u>

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**18. DEFICIT FUND BALANCES – SPECIAL REVENUE FUND**

The District had no deficit fund balance in the Special Revenue Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two (2) state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. There is no deficit in the Special Revenue Fund as of June 30, 2023 due to the fact that the expenditures did not exceed the recognizable revenue (under GAAP).

**19. CONTINGENT LIABILITIES**

- A. Grant Programs** – The school district participates in state and federally 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 those 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 Board Attorney and management, there was no litigation pending of which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District.
- C. Contractual Commitments** – The District had contractual commitments as of June 30, 2023 in the General Fund of \$82,406 and in the Special Revenue Fund of \$174,982.

**20. 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.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**21. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets 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 investments in capital assets of \$391,352.87 are calculated as follows:

		Amount
		Governmental
Capital assets, net of depreciation	\$	596,449
Bonds payable ( <i>used to build or acquire capital assets</i> )		(196,000)
Lease payable		(9,111)
Subscription Payable		(66,111)
	\$	325,227

**22. TAX ABATEMENTS**

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share 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 Borough of Lakehurst 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 Borough of Lakehurst are for two (2) senior citizen housing projects and religious entities. Taxes abated include municipal, local school and county taxes.

The Borough of Lakehurst did not recognize revenue from the annual service charge in lieu of payment of taxes in 2022.

**LAKEHURST BOROUGH SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

**23. 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*). Financial impact for year ending June 30, 2024 is uncertain at this time. A significant portion of the revenue to support the District operations is state aid and taxation; however, the outcome is uncertain at this time. It is not known at this time if there are any federal or state funds available for impact relief.

**24. PRIOR PERIOD ADJUSTMENT GASB STATEMENT NO. 96**

The District implemented GASB No. 96 related to subscription-based information technology being reclassified into the Governmental 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.



**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 1,246,203.00		\$ 1,246,203.00	\$ 1,246,203.00	
Miscellaneous-Restricted	15,500.00		15,500.00	151,947.07	\$ (136,447.07)
Total - local sources	<u>1,261,703.00</u>		<u>1,261,703.00</u>	<u>1,398,150.07</u>	<u>(136,447.07)</u>
State sources:					
Categorical Special Education Aid	346,881.00		346,881.00	346,881.00	
Categorical Transportation Aid	70,662.00		70,662.00	70,662.00	
Equalization Aid	6,103,523.00		6,103,523.00	6,103,523.00	
Maintenance of Equity Aid		\$ 253,196.00	253,196.00	253,196.00	
Security Aid	135,295.00		135,295.00	135,295.00	
Extraordinary Aid	12,000.00		12,000.00	41,349.00	(29,349.00)
Nonpublic transportation - cost reimbursement				2,496.00	(2,496.00)
On behalf - TPAF - pension contributions (nonbudgeted)				1,081,157.00	(1,081,157.00)
On behalf - TPAF - post retirement medical (nonbudgeted)				284,017.00	(284,017.00)
On behalf - TPAF - long-term disability insurance (nonbudgeted)				633.00	(633.00)
Reimbursed TPAF social security contributions (nonbudgeted)				249,712.33	(249,712.33)
Total - state sources	<u>6,668,361.00</u>	<u>253,196.00</u>	<u>6,921,557.00</u>	<u>8,568,921.33</u>	<u>(1,647,364.33)</u>
Federal sources:					
Impact Aid	505,000.00		505,000.00	666,241.00	(161,241.00)
Medical assistance program	19,861.00		19,861.00	7,513.63	12,347.37
FFCRA/SEMI				29,187.04	(29,187.04)
Total - federal sources	<u>524,861.00</u>		<u>524,861.00</u>	<u>702,941.67</u>	<u>(178,080.67)</u>
Total revenues	<u>\$ 8,454,925.00</u>	<u>\$ 253,196.00</u>	<u>\$ 8,708,121.00</u>	<u>\$ 10,670,013.07</u>	<u>\$ (1,961,892.07)</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Kindergarten	\$ 167,874.00	\$ (19,700.00)	\$ 148,174.00	\$ 148,083.99	\$ 90.01
Grades 1 - 5	890,277.00	51,455.01	941,732.01	941,731.99	0.02
Grades 6 - 8	412,601.00	(51,020.00)	361,581.00	361,580.99	0.01
	<u>1,470,752.00</u>	<u>(19,264.99)</u>	<u>1,451,487.01</u>	<u>1,451,396.97</u>	<u>90.04</u>
Home instruction:					
Salaries of teachers	4,000.00	(3,569.99)	430.01	430.00	0.01
Purchased professional - educational services		638.40	638.40	638.40	
Total home instruction	<u>4,000.00</u>	<u>(2,931.59)</u>	<u>1,068.41</u>	<u>1,068.40</u>	<u>0.01</u>
Regular programs - undistributed instruction:					
Other salaries for instruction	16,207.00	1,200.00	17,407.00	17,406.99	0.01
Purchased professional - educational services	15,000.00	(13,085.93)	1,914.07	1,914.07	
Other purchased services (400-500 series)	28,500.00	12,635.63	41,135.63	41,135.63	
General supplies	24,000.00	776.36	24,776.36	24,718.44	57.92
Textbooks	19,000.00	3,990.47	22,990.47	22,421.47	569.00
Other objects	18,000.00	(2,592.96)	15,407.04	15,407.04	
Total regular programs - undistributed instruction	<u>120,707.00</u>	<u>2,923.57</u>	<u>123,630.57</u>	<u>123,003.64</u>	<u>626.93</u>
Total regular programs - instruction	<u>1,595,459.00</u>	<u>(19,273.01)</u>	<u>1,576,185.99</u>	<u>1,575,469.01</u>	<u>716.98</u>
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	59,399.00	22,177.00	81,576.00	81,576.00	
Other salaries for instruction	34,245.00	(7,782.95)	26,462.05	26,462.05	
General supplies	1,000.00	58.85	1,058.85	1,058.85	
Textbooks	500.00		500.00	500.00	
Total learning and/or language disabilities	<u>95,144.00</u>	<u>14,452.90</u>	<u>109,596.90</u>	<u>109,596.90</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Multiple disabilities:					
Salaries of teachers	\$ 328,395.00	\$ (20,351.74)	\$ 308,043.26	\$ 294,953.52	\$ 13,089.74
Other salaries for instruction	98,085.00	(24,436.63)	73,648.37	73,648.37	
Total multiple disabilities	426,480.00	(44,788.37)	381,691.63	368,601.89	13,089.74
Special education instruction:					
Resource room/resource center:					
Salaries of teachers	495,092.00	(37,145.96)	457,946.04	457,946.02	0.02
Other salaries for instruction	17,335.00	6,300.00	23,635.00	23,635.00	
General supplies	1,000.00	(531.64)	468.36	468.36	
Textbooks	500.00		500.00	500.00	
Total resource room/resource center	513,927.00	(31,377.60)	482,549.40	482,549.38	0.02
Total special education - instruction	1,035,551.00	(61,713.07)	973,837.93	960,748.17	13,089.76
School sponsored co/extracurricular activities - instruction:					
Salaries	13,400.00	(4,386.98)	9,013.02	9,013.00	0.02
Supplies and materials	10,000.00	(6,608.48)	3,391.52	3,391.52	
Total school sponsored co/extracurricular activities - inst.	23,400.00	(10,995.46)	12,404.54	12,404.52	0.02
School sponsored athletic - instruction:					
Salaries	26,000.00	(5,523.98)	20,476.02	20,476.00	0.02
Total school sponsored athletic - instruction	26,000.00	(5,523.98)	20,476.02	20,476.00	0.02
Before/After School Programs - instruction:					
Salaries of Teachers	4,000.00		4,000.00	4,000.00	
Total before/after school programs - instruction	4,000.00		4,000.00	4,000.00	
Total other instructional programs	53,400.00	(16,519.44)	36,880.56	36,880.52	0.04
Total instructional programs	2,684,410.00	(97,505.52)	2,586,904.48	2,573,097.70	13,806.78

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	\$ 2,267,800.00		\$ 2,267,800.00	\$ 2,267,800.00	
Tuition to other LEAs within the state - special	374,131.00	\$ 64,722.07	438,853.07	438,853.07	
Tuition to County Voc. School District - regular	21,864.00	1,248.00	23,112.00	23,111.99	\$ 0.01
Tuition to CSSD & Reg. Days Schools	79,900.00	(7,400.00)	72,500.00	72,500.00	
Tuition to Private School for the disabled within state	294,610.00	(152,724.26)	141,885.74	141,885.74	
Total undistributed expenditures - instruction	<u>3,038,305.00</u>	<u>(94,154.19)</u>	<u>2,944,150.81</u>	<u>2,944,150.80</u>	<u>0.01</u>
Health services:					
Salaries	33,996.00	19,451.61	53,447.61	53,447.61	
Purchased professional - technical services	9,500.00	19,579.10	29,079.10	29,079.10	
Supplies and materials	1,000.00	(156.77)	843.23	843.23	
Total health services	<u>44,496.00</u>	<u>38,873.94</u>	<u>83,369.94</u>	<u>83,369.94</u>	
Other support services - students - related services:					
Salaries	72,150.00	7,749.66	79,899.66	79,899.66	
Total other support service - student - related services	<u>72,150.00</u>	<u>7,749.66</u>	<u>79,899.66</u>	<u>79,899.66</u>	
Other support services - students - extraordinary services:					
Purchased professional - educational services	9,100.00	(9,100.00)			
Total other support service - student - extraordinary services	<u>9,100.00</u>	<u>(9,100.00)</u>			
Other support services - students - regular:					
Salaries of other professional staff	36,015.00	(0.01)	36,014.99	36,014.99	
Total other support services - students - regular	<u>36,015.00</u>	<u>(0.01)</u>	<u>36,014.99</u>	<u>36,014.99</u>	
Other support services - students - special:					
Salaries of other professional staff	167,335.00	(41,686.81)	125,648.19	125,648.17	0.02
Salaries of secretarial and clerical assistants	54,935.00	(23,701.04)	31,233.96	31,233.94	0.02
Purchased professional - educational services	4,000.00	122.76	4,122.76	4,122.76	
Supplies and materials	500.00	472.79	972.79	972.79	
Other objects		1,715.00	1,715.00	1,715.00	
Total other support services - students - special	<u>226,770.00</u>	<u>(63,077.30)</u>	<u>163,692.70</u>	<u>163,692.66</u>	<u>0.04</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 30,212.00	\$ (603.00)	\$ 29,609.00	\$ 29,609.00	
Salaries of secretarial and clerical assistants	23,242.00	(6,809.65)	16,432.35	16,432.35	
Purchased professional - educational services	15,000.00	(5,734.11)	9,265.89	9,265.89	
	<u>68,454.00</u>	<u>(13,146.76)</u>	<u>55,307.24</u>	<u>55,307.24</u>	
Total improvement of instructional services					
Educational media service/school library:					
Salaries of supervisors of instruction	30,000.00	(6,089.96)	23,910.04	23,910.04	
Purchased professional technical services	5,000.00	(2,623.00)	2,377.00	2,377.00	
Supplies and materials	1,500.00	(1,273.52)	226.48	226.48	
	<u>36,500.00</u>	<u>(9,986.48)</u>	<u>26,513.52</u>	<u>26,513.52</u>	
Total educational media service/school library					
Instructional staff training services:					
Purchased Professional - Educational Services	7,600.00	2,081.85	9,681.85	9,681.85	
Other purchased services (400-500)	1,200.00	(1,200.00)			
Other objects	1,000.00	468.97	1,468.97	1,468.97	
	<u>9,800.00</u>	<u>1,350.82</u>	<u>11,150.82</u>	<u>11,150.82</u>	
Total instructional staff training services					
Support services - general administration:					
Salaries	113,976.00	(20,200.01)	93,775.99	93,775.99	
Legal services	9,400.00	39,933.15	49,333.15	49,333.15	
Audit fees	11,600.00	(2,700.00)	8,900.00	8,900.00	
Other purchased professional services	5,900.00	(2,269.50)	3,630.50	3,630.50	
Purchased Technical Services	900.00	(900.00)			
Communications/telephone	25,000.00	9,149.81	34,149.81	34,149.81	
BOE - other purchased services	2,500.00	(250.00)	2,250.00	2,250.00	
Other purchased services (400-500)	14,500.00	(110.00)	14,390.00	14,390.00	
General Supplies	2,000.00	(1,977.04)	22.96	22.96	
Miscellaneous expenditures	2,000.00	1,961.52	3,961.52	3,961.52	
BOE membership dues and fees	4,600.00	2,200.00	6,800.00	6,800.00	
	<u>192,376.00</u>	<u>24,837.93</u>	<u>217,213.93</u>	<u>217,213.93</u>	
Total support services - general administration					

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Support services - school administration:					
Salaries of principals/assistant principals	\$ 90,639.00	\$ (559.00)	\$ 90,080.00	\$ 90,080.00	
Salaries of secretarial and clerical assistants	18,801.00	(545.48)	18,255.52	18,255.40	\$ 0.12
Other Salaries	2,500.00	0.01	2,500.01	2,500.00	0.01
Purchased professional & technical services	200.00	(200.00)			
Other purchased services (400-500 series)	27,000.00	(953.98)	26,046.02	26,046.02	
Supplies and materials	1,800.00	(697.47)	1,102.53	1,102.53	
<b>Total support services - school administration</b>	<b>140,940.00</b>	<b>(2,955.92)</b>	<b>137,984.08</b>	<b>137,983.95</b>	<b>0.13</b>
Central services:					
Salaries	258,639.00	74,700.00	333,339.00	333,338.99	0.01
Purchased professional services	18,000.00	2,104.06	20,104.06	20,104.06	
Miscellaneous purchased services (400-500 series)		2,422.33	2,422.33	2,422.33	
Supplies and materials	1,000.00	1,839.76	2,839.76	2,839.76	
Other objects		2,650.00	2,650.00	2,650.00	
<b>Total central services</b>	<b>277,639.00</b>	<b>83,716.15</b>	<b>361,355.15</b>	<b>361,355.14</b>	<b>0.01</b>
Admin. info. Technology:					
Purchased technical services	16,000.00	(328.86)	15,671.14	15,671.14	
Supplies and materials		45,485.09	45,485.09	26,594.69	18,890.40
<b>Total admin. Info. Technology</b>	<b>16,000.00</b>	<b>45,156.23</b>	<b>61,156.23</b>	<b>42,265.83</b>	<b>18,890.40</b>
Required maintenance for school facilities:					
Salaries	90,629.00	(16,584.51)	74,044.49	74,044.45	0.04
Cleaning, Repair, and Maintenance Services	24,500.00	40,866.16	65,366.16	65,366.16	
General supplies	23,500.00	7,810.47	31,310.47	31,310.47	
Other objects	7,500.00	(6,725.00)	775.00	775.00	
<b>Total required maintenance for school facilities</b>	<b>146,129.00</b>	<b>25,367.12</b>	<b>171,496.12</b>	<b>171,496.08</b>	<b>0.04</b>



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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Other operation and maintenance of plant:					
Salaries	\$ 83,552.00	\$ 600.00	\$ 84,152.00	\$ 84,145.31	\$ 6.69
Purchased professional and technical services	10,500.00	5,594.03	16,094.03	16,094.03	
Cleaning, repair and maintenance services	8,800.00	2,432.90	11,232.90	11,232.89	0.01
Other Purchased Property Services	7,500.00	(439.44)	7,060.56	7,060.56	
Insurance	50,000.00	5,000.00	55,000.00	55,000.00	
Miscellaneous purchased services	2,000.00	953.63	2,953.63	2,953.63	
General supplies	2,000.00		2,000.00	2,000.00	
Energy (natural gas)	24,000.00	18,758.49	42,758.49	42,758.49	
Energy (heat and electricity)	88,000.00	12,467.72	100,467.72	100,467.60	0.12
	<u>276,352.00</u>	<u>45,367.33</u>	<u>321,719.33</u>	<u>321,712.51</u>	<u>6.82</u>
Total other operation and maintenance of plant					
Care and upkeep of grounds:					
Salaries					
Purchase of professional and technical services	7,200.00	37,800.00	45,000.00	45,000.00	
	<u>7,200.00</u>	<u>37,800.00</u>	<u>45,000.00</u>	<u>45,000.00</u>	
Total care and upkeep of grounds					
Security:					
Salaries	5,500.00		5,500.00	5,499.99	0.01
Purchased professional services	40,000.00		40,000.00	40,000.00	
General supplies	3,000.00	(126.99)	2,873.01	2,873.01	
	<u>48,500.00</u>	<u>(126.99)</u>	<u>48,373.01</u>	<u>48,373.00</u>	<u>0.01</u>
Total security					
Total operation and maintenance of plant					
	<u>478,181.00</u>	<u>108,407.46</u>	<u>586,588.46</u>	<u>586,581.59</u>	<u>6.87</u>
Student transportation:					
Contracted services - aid in lieu of payments - nonpublic schools	3,500.00	1,438.80	4,938.80	4,938.80	
Contracted services (between home and school) - vendors	9,500.00	(4,982.31)	4,517.69	4,517.69	
Contracted services - (other than between home & school) - joint agreements	130,536.00	249,535.49	380,071.49	380,071.49	
Contracted services - Special Education Students - vendors		23,911.56	23,911.56	23,911.56	
Contracted services (special education students) - joint agreements	130,000.00	166,202.21	296,202.21	296,202.21	
	<u>273,536.00</u>	<u>436,105.75</u>	<u>709,641.75</u>	<u>709,641.75</u>	
Total student transportation					

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Unallocated benefits:					
Social security contribution	\$ 110,000.00	\$ 102,514.86	\$ 212,514.86	\$ 148,998.86	\$ 63,516.00
Other retirement contributions - PERS	114,000.00	(222.16)	113,777.84	113,777.84	
Other retirement contributions - ERIP	12,000.00	(7,812.87)	4,187.13	4,187.12	0.01
Unemployment compensation	25,000.00	(10,053.73)	14,946.27	14,946.27	
Workmen's compensation	65,000.00	(877.87)	64,122.13	64,122.13	
Health benefits	715,765.00	(66,372.00)	649,393.00	649,393.00	
Unused Sick Payment to Terminated/Retired Staff	55,000.00	(6,585.00)	48,415.00	48,415.00	
Tuition reimbursement	15,000.00		15,000.00	15,000.00	
Other employee benefits	11,800.00	(3,800.00)	8,000.00	8,000.00	
Total unallocated benefits	<u>1,123,565.00</u>	<u>6,791.23</u>	<u>1,130,356.23</u>	<u>1,066,840.22</u>	<u>63,516.01</u>
On behalf - TPAF - pension contributions (non budgeted)				1,081,157.00	(1,081,157.00)
On behalf - TPAF - post retirement medical (non budgeted)				284,017.00	(284,017.00)
On behalf - TPAF - long-term disability (non budgeted)				633.00	(633.00)
Reimbursed TPAF social security contributions (non budgeted)				249,712.33	(249,712.33)
Total on behalf - Contributions				<u>1,615,519.33</u>	<u>(1,615,519.33)</u>
Total undistributed expenditures	<u>6,043,827.00</u>	<u>560,568.51</u>	<u>6,604,395.51</u>	<u>8,137,501.37</u>	<u>(1,533,105.86)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>\$ 8,728,237.00</u>	<u>\$ 463,062.99</u>	<u>\$ 9,191,299.99</u>	<u>\$ 10,710,599.07</u>	<u>\$ (1,519,299.08)</u>
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Other Purchased professional & technical services		87,339.25	87,339.25	87,339.25	
Assessment for Debt Service on SDA Funding	20,586.00		20,586.00	20,586.00	
Total facilities acquisition and construction services	<u>20,586.00</u>	<u>87,339.25</u>	<u>107,925.25</u>	<u>107,925.25</u>	
TOTAL EXPENDITURES - CAPITAL OUTLAY	<u>20,586.00</u>	<u>87,339.25</u>	<u>107,925.25</u>	<u>107,925.25</u>	
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 8,748,823.00</u>	<u>\$ 550,402.24</u>	<u>\$ 9,299,225.24</u>	<u>\$ 10,818,524.32</u>	<u>\$ (1,519,299.08)</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (293,898.00)	\$ (297,206.24)	\$ (591,104.24)	\$ (148,511.25)	\$ (442,592.99)
Other financing sources/(uses):					
Operating transfers in/(out)					
Transfer to special revenue fund - Pre-school - local	96,266.00		96,266.00	(96,266.00)	
Transfer From Capital Projects Fund				123,238.00	123,238.00
Miscellaneous Adjustment				(27,428.36)	(27,428.36)
Transfers to Cover Deficit (Enterprise Fund)	<u>30,000.00</u>	<u>(26,637.99)</u>	<u>3,362.01</u>	<u>(37,959.00)</u>	<u>(34,596.99)</u>
Total other financing sources/(uses)	<u>126,266.00</u>	<u>(26,637.99)</u>	<u>99,628.01</u>	<u>(38,415.36)</u>	<u>61,212.65</u>
Net Change in Fund Balance	<u>(420,164.00)</u>	<u>(270,568.25)</u>	<u>(690,732.25)</u>	<u>(186,926.61)</u>	<u>(381,380.34)</u>
Fund Balance, July 1	<u>938,502.00</u>		<u>938,502.00</u>	<u>938,502.00</u>	
Fund balance, June 30	<u>\$ 518,338.00</u>	<u>\$ (270,568.25)</u>	<u>\$ 247,769.75</u>	<u>\$ 751,575.39</u>	<u>\$ (381,380.34)</u>
Detail of:					
Fund balance appropriated	<u>\$ 420,164.00</u>				
Detail of budget transfers:					
Reserve for prior year-end encumbrances		\$ 183,229.00			
Maintenance of Equity Aid		253,196.00			
Transfer From Capital Projects		<u>87,339.25</u>			
		<u>\$ 523,764.25</u>			
Recapitulation of fund balance:					
Restricted:					
Committed for year-end encumbrances				\$ 82,406.40	
Capital Reserve				77,329.85	
Assigned- Designated for Subsequent Year Expenditures				85,109.00	
Reserve - FFCRA/SEMI - Designated				29,187.04	
Reserve for Excess Surplus				34,457.10	
Unassigned - Unreserved				<u>443,086.00</u>	
				\$ 751,575.39	
Less: Last two (2) state aid payments not recognized on GAAP basis				<u>(663,868.00)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 87,707.39</u>	

**BOARD OF EDUCATION  
LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance Final to Actual
<u>Revenues</u>			
State Sources	\$ 1,222,511.00	\$ 1,051,245.00	\$ 171,266.00
Federal Sources	1,360,193.61	1,045,195.69	314,997.92
Local Sources	<u>3,000.00</u>	<u>                    </u>	<u>3,000.00</u>
<b>Total Revenues</b>	<b><u>\$ 2,585,704.61</u></b>	<b><u>\$ 2,096,440.69</u></b>	<b><u>\$ 486,263.92</u></b>
<u>Expenditures</u>			
Instruction:			
Salaries of Teachers	\$ 785,739.84	\$ 619,213.62	\$ 166,526.22
Other Salaries for Instruction	232,725.00	232,725.00	-
Other Purchased Services	<u>226,198.20</u>	<u>177,305.75</u>	<u>48,892.45</u>
<b>Total Instruction</b>	<b><u>1,398,938.04</u></b>	<b><u>1,183,519.37</u></b>	<b><u>215,418.67</u></b>
Support Services:			
Salaries of Directors	75,000.00	75,000.00	-
Salaries of Other Professional Staff	51,408.00	51,408.00	-
Salaries of Master Teacher	13,146.87	13,146.87	-
Salaries of Secretarial and Clerical Assistants	57,556.16	37,084.16	20,472.00
Employee Benefits	301,467.00	236,322.00	65,145.00
Purchased Professional and Technical Services	78,885.40	78,878.00	7.40
Contracted Services - Transportation	103,210.04	28,210.04	75,000.00
Cleaning, Repairs and Maintenance	34,851.00	34,851.00	-
Rentals	24,000.00	24,000.00	-
Supplies and Materials	45,292.37	37,813.00	7,479.37
Student Activities	3,000.00	2,316.00	684.00
Other Purchased Services	<u>25,000.00</u>	<u>25,000.00</u>	<u>-</u>
<b>Total Support Services</b>	<b><u>812,816.84</u></b>	<b><u>644,029.07</u></b>	<b><u>168,787.77</u></b>
Facilities Acquisition and Construction Services:			
Instructional Equipment	312,842.64	306,367.16	6,475.48
Non-Instructional Equipment	<u>61,107.09</u>	<u>61,107.09</u>	<u>-</u>
	<u>373,949.73</u>	<u>367,474.25</u>	<u>6,475.48</u>
<b>Total Expenditures</b>	<b><u>2,585,704.61</u></b>	<b><u>2,195,022.69</u></b>	<b><u>390,681.92</u></b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b><u>\$ -</u></b>	<b><u>\$ (98,582.00)</u></b>	<b><u>\$ 95,582.00</u></b>
Other Financing Sources/(Uses)			
Transfer From General Fund		<u>\$ 96,266.00</u>	
		(2,316.00)	
Fund Balance July 1		<u>14,397.00</u>	
Fund Balance June 30		<b><u>\$ 12,081.00</u></b>	
Recapitulation:			
Restricted:			
Student Activities		<u>\$ 12,081.00</u>	

**BOARD OF EDUCATION  
LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

<u>Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$ 10,670,013.07	C-2 \$ 2,096,440.69
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2022	None	None
June 30, 2023	None	(174,981.69)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	607,659.00	None
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	<u>(663,868.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 \$ <u>10,613,804.07</u>	B-2 \$ <u>1,921,459.00</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	C-1 \$ 10,818,524.32	C-2 \$ 2,195,022.69
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.		
June 30, 2022	None	None
June 30, 2023	<u>None</u>	<u>(174,981.69)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 \$ <u>10,818,524.32</u>	B-2 \$ <u>2,020,041.00</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**LAKEHURST SCHOOL DISTRICT**  
**COUNTY OF OCEAN**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (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	0.0094204977 %	\$ 1,421,683	\$ 772,913	54.37 %	61.91 %
2022	0.0089300000	1,068,800	699,897	65.48	42.90
2021	0.0102200000	1,680,364	686,401	40.85	42.90
2020	0.0103700000	1,882,381	680,645	36.16	42.04
2019	0.0111400000	1,885,224	709,883	37.66	40.45
2018	0.0095700000	2,592,857	698,652	26.95	36.78
2017	0.0109300000	3,237,001	751,127	23.20	31.20
2016	0.0099100000	2,233,645	737,632	33.17	38.21
2015	0.0098200000	1,838,240	682,903	37.15	42.74
2014	0.0092700000	1,772,200	660,153	37.25	40.71

**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 as of June 30, 2022.



**LAKEHURST SCHOOL DISTRICT**  
**COUNTY OF OCEAN**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS 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	\$ 118,797	\$ 118,797	None	\$ 772,913	15.37 %
2022	123,051	123,051	None	699,897	17.58
2021	105,962	105,962	None	686,401	15.44
2020	96,257	96,257	None	680,645	14.14
2019	108,813	108,813	None	709,883	15.33
2018	96,746	96,746	None	698,652	13.85
2017	96,746	96,746	None	751,127	12.88
2016	86,543	86,543	None	737,632	11.73
2015	85,683	85,683	None	682,903	12.55
2014	82,836	82,836	None	660,153	12.55

**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 as of June 30, 2022.

LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS SHARE OF THE  
NET PENSION LIABILITY - TPAF  
LAST TEN (10) FISCAL YEARS

<u>Year</u>	<u>District's Proportion of Net Pension Liability</u>	<u>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>
		<u>District</u>	<u>State</u>	<u>Total</u>			
2023	0.0000000000 %	\$ None	\$ 13,455,481	\$ 13,455,481	\$ 3,188,034	23.69 %	32.29 %
2022	0.0000000000	None	12,286,476	12,286,476	3,151,975	25.65	32.52
2021	0.0000000000	None	17,614,884	17,614,884	2,938,754	16.68	24.60
2020	0.0000000000	None	15,463,437	15,463,437	2,729,655	17.65	26.95
2019	0.0000000000	None	14,586,024	14,586,024	2,773,897	19.02	26.49
2018	0.0000000000	None	15,633,057	15,633,057	2,636,002	16.86	25.41
2017	0.0000000000	None	16,667,546	16,667,546	2,369,632	14.22	22.33
2016	0.0000000000	None	14,871,872	14,871,872	2,308,871	15.53	28.71
2015	0.0000000000	None	12,140,460	12,140,460	2,163,687	17.82	33.64
2014	0.0000000000	None	13,595,301	13,595,301	2,258,009	16.61	33.76

LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS  
TEACHER'S PENSION AND ANNUITY FUND (TRAF)  
LAST TEN (10) FISCAL YEARS

This schedule is not applicable.

The School District is not required to make my contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Public Employee's Retirement System (PERS)**

Changes in Benefits Terms - None

Changes in Assumptions - The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

**Teacher's Pension and Annuity Fund (TRAF)**

Changes in Benefit Terms - None

Changes in Assumption - The discount rate changed from 5.40% as of June 30, 2022, to 7.00% as of June 30, 2021, in accordance with Paragraph 44 of GASB Statement No. 67.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR OPEB (GASB 75)**

**LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
SCHEDULE OF CHANGES  
TOTAL OPEB LIABILITY FOR PERS AND RELATED RATIOS  
LAST SIX (6) FISCAL YEARS**

	2023	2022	2021	2020	2019	2018
<u>Total OPEB Liability</u>						
<u>District's Proportionate Share of OPEB Liability</u>						
	<u>District's Proportionate Share of OPEB Liability</u>	<u>District's Proportionate Share of OPEB Liability</u>	<u>District's Proportionate Share of OPEB Liability</u>	<u>District's Proportionate Share of OPEB Liability</u>	<u>District's Proportionate Share of OPEB Liability</u>	<u>District's Proportionate Share of OPEB Liability</u>
<u>District's Proportionate Share of Net OPEB Liability</u>						
<u>State's OPEB Liability Attributable to the District</u>						
Service cost	\$ 864,023	\$ 992,118	\$ 597,752	\$ 509,433	\$ 559,539	\$ 676,228
Interest	426,539	473,795	507,167	647,850	696,716	604,918
Changes of benefit items	-	-	-	-	-	-
Change in Benefits Terms	-	(19,440)	-	-	-	-
Benefit payments	(422,499)	(373,218)	(373,075)	(431,970)	(439,559)	(442,677)
Member Contributions	13,554	12,113	11,308	12,805	15,192	16,300
Differences between expected and actual experience	1,266,888	(4,268,858)	2,700,084	(3,314,362)	(1,619,127)	-
Changes of assumptions	(4,317,666)	18,019	3,914,483	209,815	(1,886,398)	(2,503,317)
Net changes in total OPEB liability	(2,169,161)	(3,165,471)	7,357,719	(2,366,429)	(2,673,637)	(1,648,548)
Total OPEB liability - beginning	18,264,302	21,429,773	14,072,054	16,438,483	19,112,120	20,760,668
Total OPEB liability - ending	<u>\$ 16,095,141</u>	<u>\$ 18,264,302</u>	<u>\$ 21,429,773</u>	<u>\$ 14,072,054</u>	<u>\$ 16,438,483</u>	<u>\$ 19,112,120</u>
District's Covered Payroll	4,684,659	3,851,872	3,625,155	3,410,300	3,483,780	3,334,653
District's Contribution	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	343.57%	474.17%	591.14%	412.63%	471.86%	573.14%

\* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
LAST SIX (6) FISCAL YEARS

Change of Benefit Terms:

Refer to Note 5 - Notes to Financial Statements

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2020 to June 30, 2022 is due to changes in the census, claims and premiums experience,

Changes of Assumptions

The Discount Rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

**OTHER SUPPLEMENTARY INFORMATION**



**SPECIAL REVENUE FUND**

**BOARD OF EDUCATION  
LAKEHURST SCHOOL DISTRICT  
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)	Preschool Education Aid	N.C.L.B.		L.D.E.A.		CRRSA			Totals 2023
			Title I	Title IIA	Basic	Preschool	ESSER II	Learning	Mental Health	
<b>REVENUES:</b>										
State Sources	\$ 9,851.00	\$ 1,041,394.00								
Federal Sources	\$ 503,463.68		\$ 227,917.00	\$ 23,974.00	\$ 156,701.00	\$ 7,058.00	\$ 107,257.85	\$ 7,424.16	\$ 11,400.00	\$ 1,051,245.00
	\$ 513,314.68	\$ 1,041,394.00	\$ 227,917.00	\$ 23,974.00	\$ 156,701.00	\$ 7,058.00	\$ 107,257.85	\$ 7,424.16	\$ 11,400.00	\$ 2,096,440.69
<b>EXPENDITURES:</b>										
<b>Instruction:</b>										
Salaries of Teachers	\$ 77,859.62	\$ 405,854.00	\$ 120,000.00	\$ 15,500.00						\$ 619,213.62
Other salaries for instruction	25,000.00	207,725.00								232,725.00
Instructional supplies	83,759.54	34,725.00	20,717.00	569.00		\$ 3,058.00	\$ 34,477.21			177,305.75
Other objects		4,275.00			\$ 150,000.00					154,275.00
Total instruction	186,619.16	652,579.00	140,717.00	16,069.00	150,000.00	3,058.00	34,477.21	\$		1,183,519.37
<b>Support services:</b>										
Salaries of Directors		75,000.00								75,000.00
Salaries of Other Professional Staff		51,408.00								51,408.00
Salaries of Master Teacher		13,146.87								13,146.87
Salaries of Secretarial and Clerical Assistants		30,000.00								30,000.00
Employee Benefits	19,575.00	135,209.00	61,200.00	7,905.00			3,288.00	3,796.16	\$	37,084.16
Purchased Professional and Technical Services	31,283.00	35,000.00	6,000.00					1,033.00	\$ 11,400.00	236,322.00
Contracted Services - Transportation		28,210.04				4,000.00		2,595.00		78,878.00
Cleaning, Repairs and Maintenance	9,851.00	25,000.00								28,210.04
Rentals		24,000.00								34,851.00
Supplies and Materials	2,462.00		20,000.00		6,701.00		8,650.00			24,000.00
Student Activities	2,316.00									37,813.00
Other Purchased Services		25,000.00								2,316.00
Total support services	65,487.00	441,973.91	87,200.00	7,905.00	6,701.00	4,000.00	11,938.00	7,424.16	11,400.00	644,029.07
<b>Facilities acquisition and construction services:</b>										
Non-instructional equipment		43,107.09					18,000.00			61,107.09
Instructional equipment	263,524.52						42,842.64			306,367.16
Total facilities acquisition and construction services	263,524.52	43,107.09					60,842.64			367,474.25
Total expenditures	\$ 515,630.68	\$ 1,137,660.00	\$ 227,917.00	\$ 23,974.00	\$ 156,701.00	\$ 7,058.00	\$ 107,257.85	\$ 7,424.16	\$ 11,400.00	\$ 2,195,022.69
Excess/(deficiency of revenues over/(under) expenditures	(2,316.00)	(96,266.00)								(98,582.00)
<b>Other financing sources/(uses)</b>										
Transfer from general fund		96,266.00								96,266.00
Fund balance, July 1	14,397.00									14,397.00
Fund balance, June 30	\$ 12,081.00									\$ 12,081.00

**BOARD OF EDUCATION  
LAKEHURST SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Exhibit E-1a**

	ARP					Preschool Expansion	SDA School Security	Student Activity	Total
	ESSER	Learning	Mental Health	Summer Learning	ARP Basic				
<b>REVENUES:</b>									
State Sources							\$ 9,851.00		\$ 9,851.00
Federal Sources	\$ 429,349.06	\$ 25,000.00	\$ 31,282.98	\$ 2,000.00	\$ 7,294.64	\$ 8,537.00			\$ 503,463.68
	\$ 429,349.06	\$ 25,000.00	\$ 31,282.98	\$ 2,000.00	\$ 7,294.64	\$ 8,537.00	\$ 9,851.00		\$ 513,314.68
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of Teachers	\$ 54,065.00		\$ 16,499.98		\$ 7,294.64				\$ 77,859.62
Other salaries for instruction		\$ 25,000.00							25,000.00
Instructional supplies	81,759.54			\$ 2,000.00					83,759.54
Other objects									
Total instruction	135,824.54	25,000.00	16,499.98	2,000.00	7,294.64				186,619.16
<b>Support services:</b>									
Salaries of Directors									
Salaries of Other Professional Staff									
Salaries of Master Teacher									
Salaries of Secretarial and Clerical Assistants									
Employee Benefits			13,500.00			6,075.00			19,575.00
Purchased Professional and Technical Services	30,000.00		1,283.00						31,283.00
Contracted Services - Transportation									
Cleaning, Repairs and Maintenance							\$ 9,851.00		9,851.00
Rentals									
Supplies and Materials						2,462.00			2,462.00
Student Activities								\$ 2,316.00	2,316.00
Other Purchased Services									
Total support services	30,000.00		14,783.00			8,537.00	9,851.00	2,316.00	65,467.00
<b>Facilities acquisition and construction services:</b>									
Non-Instructional equipment									
Instructional equipment	263,524.52								263,524.52
Total facilities acquisition and construction services	263,524.52								263,524.52
Total expenditures	\$ 429,349.06	\$ 25,000.00	\$ 31,282.98	\$ 2,000.00	\$ 7,294.64	\$ 8,537.00	\$ 9,851.00	\$ 2,316.00	\$ 515,630.68
Excess/(deficiency of revenues over/(under) expenditures								(2,316.00)	(2,316.00)
<b>Other financing sources/(uses)</b>									
Transfer from general fund									
Fund balance, July 1								14,397.00	14,397.00
Fund balance, June 30								\$ 12,081.00	\$ 12,081.00

**BOARD OF EDUCATION  
LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 405,854.00	\$ 405,854.00	
Other Salaries for Instruction	207,725.00	207,725.00	
Instructional Supplies	34,725.00	34,725.00	
Other Objects	4,275.00	4,275.00	
	<u>652,579.00</u>	<u>652,579.00</u>	
<b>Total instruction</b>	<b>\$ 652,579.00</b>	<b>\$ 652,579.00</b>	
Support Services:			
Salaries of Program Director	75,000.00	75,000.00	
Salaries of Other Professional Staff	51,408.00	51,408.00	
Salaries of Master Teachers	13,146.87	13,146.87	
Salaries of Secretaries and Clerical Assistants	30,000.00	30,000.00	
Personal Services - Employee Benefits	135,209.00	135,209.00	
Purchased Professional Services	35,000.00	35,000.00	
Cleaning, Repairs and Maintenance	25,000.00	25,000.00	
Rentals	24,000.00	24,000.00	
Contr Services - Transportation (bet. Home & School)	103,210.04	28,210.04	\$ 75,000.00
Other Purchased Services	25,000.00	25,000.00	
	<u>516,973.91</u>	<u>441,973.91</u>	<u>75,000.00</u>
<b>Total support services</b>	<b>\$ 516,973.91</b>	<b>\$ 441,973.91</b>	<b>75,000.00</b>
Facilities Acquisition and Construction Services:			
Non-Instructional Equipment	\$ 43,107.09	\$ 43,107.09	
	<u>43,107.09</u>	<u>43,107.09</u>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,212,660.00</b>	<b>\$ 1,137,660.00</b>	<b>\$ 75,000.00</b>
Other Financing Sources/(Uses)			
Transfer from general fund	\$ 96,266.00	\$ 96,266.00	
	<u>96,266.00</u>	<u>96,266.00</u>	

**Calculation of Budget and Carryover**

Total 2022-2023 Preschool Education Aid Allocation	\$ 1,091,394.00
Actual PEA Carryover (June 30, 2022)	74,992.00
Add: Budgeted Transfer from the General Fund	<u>96,266.00</u>
<b>Total PEA Funds Available for 2022-2023 Budget</b>	<b>\$ 1,262,652.00</b>
Less: Budgeted 2022-2023 Preschool Education Aid	<u>1,212,660.00</u>
<b>Available and Unbudgeted PEA Funds as of June 30, 2022</b>	<b>\$ 49,992.00</b>
Add: 2022-2023 Unexpended Preschool Education Aid	<u>75,000.00</u>
<b>2022-2023 Actual Carryover Preschool Education Aid</b>	<b>\$ 124,992.00</b>
<b>2022-2023 Carryover Budgeted in 2023-2024 Preschool Education Aid</b>	<b>\$ 124,992.00</b>

**CAPITAL PROJECTS FUND**

BOARD OF EDUCATION  
LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Fund Balance - Beginning	\$ 123,238
<u>Decreased By:</u>	
Operating Transfer In/(Out):	
Transferred to General Fund	\$ <u>(123,238)</u>

**NONCURRENT DEBT**

**BOARD OF EDUCATION  
LAKEHURST SCHOOL DISTRICT  
NONCURRENT DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Original</u>		<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
	<u>Date of Original Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>				
Improvements to Elementary School	3/4/2010	\$ 1,171,000.00	3/1/2024	\$ 95,000.00	4.00%	\$ 286,000.00	\$ 90,000.00	\$ 196,000.00
			3/1/2025	101,000.00	4.00%			
Total						\$ 286,000.00	\$ 90,000.00	\$ 196,000.00



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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES:			
Local Sources:			
Local Tax Levy	\$ <u>101,440</u>	\$ <u>101,440</u>	\$ <u>101,440</u>
Total Revenues	\$ <u>101,440</u>	\$ <u>101,440</u>	\$ <u>101,440</u>
EXPENDITURES:			
Regular Debt Service:			
Interest on Bonds	\$ 11,440	\$ 11,440	\$ 11,440
Redemption of Principal	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>
Total Expenditures	\$ <u>101,440</u>	\$ <u>101,440</u>	\$ <u>101,440</u>
Fund Balance, July 1	<u>1</u>	<u>1</u>	<u>1</u>
Fund Balance, June 30	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>
Recapitulation of Excess/(Deficiency) of Revenues			
Over/(Under) Expenditures:			
Budgeted Fund Balance	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>

**STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

**FREEHOLD BOROUGH SCHOOL DISTRICT**  
**COUNTY OF MONMOUTH**  
**INTRODUCTION TO STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

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

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.*

## FINANCIAL TRENDS

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets	\$ 472,581	\$ 442,334	\$ 412,400	\$ 382,467	\$ 352,534	\$ 332,601	\$ 292,668	\$ 262,715	\$ 232,802	\$ 325,226
Restricted	1,599,845	2,233,113	2,059,335	985,088	400,802	235,738	9,572	123,239	21,892	15,423
Unrestricted	<u>(926,827)</u>	<u>(2,038,442)</u>	<u>(2,641,181)</u>	<u>(3,240,141)</u>	<u>(3,344,311)</u>	<u>(4,267,146)</u>	<u>(3,101,391)</u>	<u>(2,397,205)</u>	<u>(1,915,972)</u>	<u>(1,800,737)</u>
Total governmental activities net assets	<u>\$ 1,145,599</u>	<u>\$ 637,005</u>	<u>\$ (169,446)</u>	<u>\$ (1,872,586)</u>	<u>\$ (2,590,975)</u>	<u>\$ (3,698,807)</u>	<u>\$ (2,799,151)</u>	<u>\$ (2,011,251)</u>	<u>\$ (1,661,278)</u>	<u>\$ (1,460,088)</u>
Business-type activities										
Unrestricted	<u>(49,382)</u>	<u>(72,128)</u>	<u>(128,845)</u>	<u>(170,425)</u>	<u>(192,422)</u>	<u>(272,469)</u>	<u>(118,299)</u>	<u>(102,637)</u>	<u>(64,838)</u>	<u>3,312</u>
Total business-type activities net assets	<u>\$ (49,382)</u>	<u>\$ (72,128)</u>	<u>\$ (128,845)</u>	<u>\$ (170,425)</u>	<u>\$ (192,422)</u>	<u>\$ (272,469)</u>	<u>\$ (118,299)</u>	<u>\$ (102,637)</u>	<u>\$ (64,838)</u>	<u>\$ 3,312</u>
District-wide										
Invested in capital assets	\$ 472,581	\$ 442,334	\$ 412,400	\$ 382,467	\$ 352,534	\$ 332,601	\$ 292,668	\$ 262,715	\$ 232,802	\$ 325,226
Restricted	1,599,845	2,233,113	2,059,335	985,088	400,802	235,738	9,572	123,239	21,892	15,423
Unrestricted	<u>(976,209)</u>	<u>(2,110,570)</u>	<u>(2,770,026)</u>	<u>(3,410,566)</u>	<u>(3,536,733)</u>	<u>(4,539,615)</u>	<u>(3,219,690)</u>	<u>(2,499,842)</u>	<u>(1,980,810)</u>	<u>(1,797,425)</u>
Total district net position	<u>\$ 1,096,217</u>	<u>\$ 564,877</u>	<u>\$ (298,291)</u>	<u>\$ (2,043,011)</u>	<u>\$ (2,783,397)</u>	<u>\$ (3,971,276)</u>	<u>\$ (2,917,450)</u>	<u>\$ (2,113,888)</u>	<u>\$ (1,726,116)</u>	<u>\$ (1,456,776)</u>

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

June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities	\$ 9,092,779	\$ 11,228,071	\$ 10,144,392	\$ 11,107,771	\$ 10,488,367	\$ 11,942,250	\$ 10,188,400	\$ 10,268,656	\$ 11,226,870	\$ 11,594,686
Business-type activities:	220,533	160,994	201,695	194,550	197,439	265,512	176,249	211,635	320,801	272,189
Total business-type activities expense	\$ 220,533	\$ 160,994	\$ 201,695	\$ 194,550	\$ 197,439	\$ 265,512	\$ 176,249	\$ 211,635	\$ 320,801	\$ 272,189
Total district expenses	\$ 9,313,312	\$ 11,389,065	\$ 10,346,087	\$ 11,302,321	\$ 10,685,806	\$ 12,207,762	\$ 10,364,649	\$ 10,480,291	\$ 11,547,671	\$ 11,866,875
<b>Program Revenues</b>										
Governmental activities:	\$ 568,780	\$ 587,863	\$ 553,140	\$ 528,441	\$ 866,873	\$ 1,679,739	\$ 1,599,846	\$ 1,694,673	\$ 1,924,953	\$ 1,722,497
Business-type activities:	189,593	138,248	144,978	152,970	175,442	185,465	171,959	202,217	341,507	302,380
Total business type activities program revenues	\$ 189,593	\$ 138,248	\$ 144,978	\$ 152,970	\$ 175,442	\$ 185,465	\$ 171,959	\$ 202,217	\$ 341,507	\$ 302,380
Total district program revenues	\$ 758,373	\$ 726,111	\$ 698,118	\$ 681,411	\$ 1,042,315	\$ 1,865,204	\$ 1,771,805	\$ 1,896,890	\$ 2,266,460	\$ 2,024,877
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (8,523,999)	\$ (10,640,208)	\$ (9,591,252)	\$ (10,579,330)	\$ (9,621,494)	\$ (10,262,511)	\$ (8,588,554)	\$ (8,573,983)	\$ (9,301,917)	\$ (9,872,189)
Business-type activities	(30,940.00)	(22,746.00)	(56,717.00)	(41,580.00)	(21,997.00)	(80,047.00)	(4,290.00)	(9,418.00)	20,706.00	30,191
Total district-wide net expense	\$ (8,554,939)	\$ (10,662,954)	\$ (9,647,969)	\$ (10,620,910)	\$ (9,643,491)	\$ (10,342,558)	\$ (8,592,844)	\$ (8,583,401)	\$ (9,281,211)	\$ (9,841,998)
<b>General Revenues and Other Change in Net Position</b>										
Governmental activities:	\$ 8,187,655	\$ 11,969,854	\$ 8,784,801	\$ 8,875,190	\$ 8,903,105	\$ 9,154,679	\$ 9,488,210	\$ 9,348,498	\$ 9,651,890	\$ 10,101,817
Business-type activities	-	-	-	-	-	-	143,460	25,080	17,093	37,959
Total Business-type activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,460	\$ 25,080	\$ 17,093	\$ 37,959
Total district-wide	\$ 8,187,655	\$ 11,969,854	\$ 8,784,801	\$ 8,875,190	\$ 8,903,105	\$ 9,154,679	\$ 9,631,670	\$ 9,373,578	\$ 9,668,983	\$ 10,139,776
<b>Change in Net Position</b>										
Governmental activities	\$ (336,344)	\$ 1,329,646	\$ (806,451)	\$ (1,703,140)	\$ (718,389)	\$ (1,107,832)	\$ 899,656	\$ 774,515	\$ 349,973	\$ 229,628
Business-type activities	(30,940)	(22,746)	(56,717)	(41,580)	(21,997)	(80,047)	139,170	15,662	37,799	68,150
Total district	\$ (367,284)	\$ 1,306,900	\$ (863,168)	\$ (1,744,720)	\$ (740,386)	\$ (1,187,879)	\$ 1,038,826	\$ 790,177	\$ 387,772	\$ 297,778

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 1,611,272	\$ 875,085	\$ 850,066	\$ 888,550	\$ 344,559	225,445	\$ -	\$ 296,020	\$ 603,393	\$ 5,301
Unreserved	72,302	293,290	347,453	(180,753)	(327,515)	(1,360,604)	(329,289)	50,538	(272,550)	82,406
<b>Total general fund</b>	<b>\$ 1,683,574</b>	<b>\$ 1,168,375</b>	<b>\$ 1,197,519</b>	<b>\$ 707,797</b>	<b>\$ 17,044</b>	<b>\$ (1,135,159)</b>	<b>\$ (329,289)</b>	<b>\$ 346,558</b>	<b>\$ 330,843</b>	<b>\$ 87,707</b>
All Other Governmental Funds										
Unreserved (deficit), reported in:										
Special revenue fund	\$ (21,814)	\$ (27,164)	\$ (18,637)	\$ (26,701)	\$ (66,996)	\$ (112,947)	\$ (113,667)	\$ (100,759)	\$ (101,347)	\$ 12,081
Reserved Capital projects fund	30	1,374,835	1,227,905	123,238	123,238	123,238	123,238	123,238	123,238	
Debt service fund	10,357	10,357	1	1	1	2	1	1	1	1
<b>Total all other governmental funds</b>	<b>\$ (11,427)</b>	<b>\$ 1,358,028</b>	<b>\$ 1,209,269</b>	<b>\$ 96,538</b>	<b>\$ 56,243</b>	<b>\$ 10,293</b>	<b>\$ 9,572</b>	<b>\$ 22,480</b>	<b>\$ 21,892</b>	<b>\$ 12,082</b>

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax levy	\$ 1,169,291	\$ 1,192,666	\$ 1,200,209	\$ 1,233,466	\$ 1,258,738	\$ 1,278,966	\$ 1,304,652	\$ 1,325,208	\$ 1,351,243	\$ 1,347,643
Other Local Revenue	133,011	38,748	232,708	173,608	322,697	382,807	361,711	188,510	46,134	151,947
State Revenue	6,725,125	6,882,231	6,845,480	6,961,273	7,337,341	8,187,663	8,821,907	8,354,131	8,938,229	9,563,957
Federal Revenue	729,004	1,236,946	1,059,544	1,036,284	899,835	984,982	743,246	1,200,402	1,289,617	1,573,156
<b>Total revenue</b>	<u>\$ 8,756,431</u>	<u>\$ 9,350,591</u>	<u>\$ 9,337,941</u>	<u>\$ 9,404,631</u>	<u>\$ 9,818,611</u>	<u>\$ 10,834,418</u>	<u>\$ 11,231,516</u>	<u>\$ 11,068,251</u>	<u>\$ 11,625,223</u>	<u>\$ 12,636,703</u>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	\$ 1,564,652	\$ 1,779,457	\$ 1,651,828	\$ 1,641,046	\$ 1,709,259	\$ 1,387,616	\$ 1,422,515	\$ 1,354,250	\$ 1,485,311	\$ 1,575,469
Special education instruction	542,289	618,593	705,237	687,773	645,586	754,357	816,703	829,168	849,084	960,748
Other	33,782	50,994	54,670	45,961	51,248	41,629	41,880	18,887	38,502	36,881
<b>Total Instruction</b>	<u>\$ 2,140,723</u>	<u>\$ 2,449,044</u>	<u>\$ 2,411,735</u>	<u>\$ 2,374,780</u>	<u>\$ 2,406,093</u>	<u>\$ 2,183,602</u>	<u>\$ 2,281,098</u>	<u>\$ 2,202,305</u>	<u>\$ 2,372,897</u>	<u>\$ 2,573,098</u>
<b>Undistributed</b>										
Instruction	\$ 2,567,096	\$ 2,411,153	\$ 2,548,659	\$ 2,762,757	\$ 2,848,349	\$ 3,191,313	\$ 2,564,625	\$ 2,520,630	\$ 2,865,519	\$ 2,944,151
Support Service - Student/Staff	522,887	557,719	662,668	662,834	668,411	563,851	489,097	442,221	418,228	372,579
School Administration	534,791	547,891	520,557	552,668	573,794	541,910	555,836	585,389	608,603	842,189
Operations and Maintenance	475,047	456,712	445,518	420,341	418,362	429,135	429,804	421,364	468,633	586,582
Student Transportation	263,619	286,532	394,275	322,258	354,246	429,931	270,120	135,980	249,715	709,642
Unallocated Benefits	1,627,160	1,593,550	1,807,315	1,985,565	2,102,935	2,744,340	2,045,856	2,364,563	2,554,494	2,682,360
<b>Total Undistributed</b>	<u>\$ 5,990,600</u>	<u>\$ 5,853,557</u>	<u>\$ 6,378,992</u>	<u>\$ 6,706,423</u>	<u>\$ 6,966,097</u>	<u>\$ 7,900,480</u>	<u>\$ 6,355,338</u>	<u>\$ 6,470,147</u>	<u>\$ 7,165,192</u>	<u>\$ 8,137,501</u>
<b>Capital outlay</b>	<u>\$ 272,368</u>	<u>\$ 71,436</u>	<u>\$ 127,370</u>	<u>\$ 127,369</u>	<u>\$ 127,369</u>	<u>\$ 127,369</u>	<u>\$ 73,978</u>	<u>\$ 20,586</u>	<u>\$ 31,354</u>	<u>\$ 107,925</u>
<b>Special Schools/Education Jobs</b>										
<b>Total General Fund Expenditures</b>	<u>\$ 8,403,691</u>	<u>\$ 8,374,037</u>	<u>\$ 8,918,097</u>	<u>\$ 9,208,572</u>	<u>\$ 9,499,559</u>	<u>\$ 10,211,451</u>	<u>\$ 8,710,414</u>	<u>\$ 8,693,038</u>	<u>\$ 9,569,443</u>	<u>\$ 10,818,524</u>
<b>Special Revenue</b>										
Federal and State	\$ 568,144	\$ 593,213	\$ 483,956	\$ 482,372	\$ 787,246	\$ 1,609,698	\$ 1,412,262	\$ 1,571,323	\$ 1,918,663	\$ 1,921,459
<b>Total Special Revenue Expenditures</b>	<u>\$ 568,144</u>	<u>\$ 593,213</u>	<u>\$ 483,956</u>	<u>\$ 482,372</u>	<u>\$ 787,246</u>	<u>\$ 1,609,698</u>	<u>\$ 1,412,262</u>	<u>\$ 1,571,323</u>	<u>\$ 1,918,663</u>	<u>\$ 1,921,459</u>
<b>Capital Projects</b>	<u>\$ 52,807</u>	<u>\$ 2,332,321</u>	<u>\$ 146,930</u>	<u>\$ 2,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Debt Service</b>	<u>\$ 100,515</u>	<u>\$ 103,890</u>	<u>\$ 208,573</u>	<u>\$ 211,473</u>	<u>\$ 214,221</u>	<u>\$ 211,422</u>	<u>\$ 160,231</u>	<u>\$ 103,440</u>	<u>\$ 105,040</u>	<u>\$ 101,440</u>
<b>Total Governmental Fund Expenditures</b>	<u>\$ 9,125,157</u>	<u>\$ 11,403,461</u>	<u>\$ 9,757,556</u>	<u>\$ 9,905,221</u>	<u>\$ 10,501,026</u>	<u>\$ 12,032,571</u>	<u>\$ 10,282,907</u>	<u>\$ 10,367,801</u>	<u>\$ 11,593,146</u>	<u>\$ 12,841,423</u>
Other Financing Sources (Uses)	4	3,207,126	0	(1,101,863)	0	0	(143,460)	0	(43,380)	(27,428)
<b>Net Changes in Fund Balance</b>	<u>(368,722)</u>	<u>1,154,256</u>	<u>(419,615)</u>	<u>(1,602,453)</u>	<u>(682,415)</u>	<u>(1,198,153)</u>	<u>805,149</u>	<u>700,450</u>	<u>(16,303)</u>	<u>(330,731)</u>
	<u>(368,718)</u>	<u>4,361,382</u>	<u>(419,615)</u>	<u>(2,704,316)</u>	<u>(682,415)</u>	<u>(1,198,153)</u>	<u>661,689</u>	<u>700,450</u>	<u>(59,683)</u>	<u>(358,159)</u>
Source: District Records	<u>\$ (315,911)</u>	<u>\$ 6,693,703</u>	<u>\$ (272,685)</u>	<u>\$ (2,701,512)</u>	<u>\$ (682,415)</u>	<u>\$ (1,198,153)</u>	<u>\$ 661,689</u>	<u>\$ 700,450</u>	<u>\$ (59,683)</u>	<u>\$ (358,159)</u>

Source: District records



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

	<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>
Interest	\$ 698	\$ -	\$ -	\$ -	\$ 902	\$ -	\$ -	\$ -	\$ -	\$ 11,931
Tuition	-	-	\$ 60,657	\$ 54,133	\$ 119,922	\$ 115,992	\$ 188,304	\$ 123,827	\$ 6,878	-
Reimbursements	-	-	-	-	-	-	-	-	-	-
Miscellaneous	\$ 21,752	\$ 30,772	\$ 172,051	\$ 2,718	\$ 92,823	\$ 147,659	\$ 120,017	\$ 64,683	\$ 18,010	\$ 72,209
	<u>\$ 22,450</u>	<u>\$ 30,772</u>	<u>\$ 232,708</u>	<u>\$ 56,851</u>	<u>\$ 213,647</u>	<u>\$ 263,651</u>	<u>\$ 308,321</u>	<u>\$ 188,510</u>	<u>\$ 24,888</u>	<u>\$ 84,140</u>

Source: District Records

## REVENUE CAPACITY

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

<u>Total Tax Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Net Valuation</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2014	188,948,432	200,565,666	94.39%
2015	187,699,380	157,310,875	89.82%
2016	189,916,984	164,591,103	85.37%
2017	161,497,075	140,907,959	87.37%
2018	160,558,304	142,266,456	88.73%
2019	158,547,872	142,143,250	89.78%
2020	142,965,689	156,005,341	91.78%
2021	142,948,773	161,452,674	88.62%
2022	144,542,555	181,736,212	79.54%
2023	232,616,000	217,631,863	106.89%

**Source: Abstract of Ratables, Coutry Board of Taxation**

Note: In 2022 Lakehurst's Net assessed valuation was reassessed

LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN (10) FISCAL YEARS  
UNAUDITED

<u>Year Ending June 30</u>	<u>Total Direct School Tax Rate</u>	<u>Municipality of Lakehurst</u>	<u>Ocean County</u>	<u>Total District and Overlapping Tax</u>
2014	0.614	1.109	0.415	2.138
2015	0.840	1.605	0.454	2.899
2016	0.849	1.675	0.487	3.011
2017	0.870	1.700	0.480	3.050
2018	0.879	1.720	0.468	3.067
2019	0.894	1.760	0.460	3.114
2020	0.907	1.780	0.446	3.133
2021	0.921	1.805	0.457	3.183
2022	0.936	1.828	0.469	3.233
2023	0.610	1.181	0.283	2.128

Source: Abstract of Ratables, Ocean County

**LAKEHURST SCHOOL DISTRICT**  
**COUNTY OF OCEAN**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND TEN YEARS AGO**  
**UNAUDITED**

<u>Taxpayer</u>	<u>Assessed Valuation</u> <u>2023</u>	<u>Rank Optional</u>	<u>As a Percentage of</u> <u>District's Net Assessed</u> <u>Valuation</u>
Lakehurst Circle Associates	\$ 6,926,300		3.18%
Smith Street Associates LLC	5,524,600		2.54%
Provco Pinegood Lakehurst LLC	3,214,700		1.48%
Gascas Properties LLC	2,945,300		1.35%
Limelight LLC	2,804,600		1.29%
800 Route 70 LLC	2,361,100		1.08%
Garden Homes Vermont LP	2,345,000		1.08%
Route 70 SS LLC	2,218,600		1.02%
Koach Lakehurst LLC	1,602,500		0.74%
McDonalds Corp.	1,534,500		0.71%
Total	<u>\$ 31,477,200</u>		<u>14.46%</u>

**Source:** Lakehurst Borough Tax Assessor

**Information for Nine Years ago was not available at the time of the audit**

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

Collected within the Fiscal Year of the Levy

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Amount Collected</u>	<u>Percentage of Levy</u>
2014	4,094,211	3,980,818	97.22%
2015	4,247,489	4,118,086	96.95%
2016	4,346,499	4,218,035	97.04%
2017	4,374,745	4,243,350	96.99%
2018	4,466,775	4,354,476	97.48%
2019	4,482,238	4,398,931	98.14%
2020	4,570,490	4,506,670	98.60%
2021	4,654,353	4,596,965	98.77%
2022	4,700,939	4,648,149	98.88%
2023	4,948,012	4,777,306	96.55% <i>Anticipated</i>

**Source:** Municipal Tax Collector

Note: Dollar amounts are rounded to the nearest whole dollar.

## DEBT CAPACITY

LAKEHURST 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	Capital Leases	Bonded Debt Anticipation Notes (BANs)	Total District Debt	Percentage of Personal Income
2014	921,000	-	-	921,000	0.8%
2015	851,000	-	-	851,000	0.7%
2016	781,000	352,312	-	1,133,312	0.9%
2017	706,000	255,365	-	961,365	0.7%
2018	626,000	155,492	-	781,492	0.6%
2019	546,000	51,828	-	597,828	0.4%
2020	461,000	-	-	461,000	0.4%
2021	376,000	-	-	376,000	0.4%
2022	286,000	-	-	286,000	0.3%
2023	196,000	-	-	196,000	0.2%

Source: Abstract of Ratables, Ocean County



**LAKEHURST 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>Net Bonded Debt Per Capital</u>
2014	921,000	-	921,000.00	0.51%	346
2015	851,000	-	851,000.00	0.50%	319
2016	781,000	-	781,000.00	0.55%	293
2017	706,000	-	706,000.00	0.54%	262
2018	626,000	-	626,000.00	0.54%	232
2019	536,000	-	536,000.00	0.52%	198
2020	461,000	-	461,000.00	0.52%	169
2021	376,000	-	376,000.00	0.50%	141
2022	286,000	-	286,000.00	0.20%	107
2023	196,000	-	196,000.00	8.00%	74

**Notes:** Dollars rounded to the nearest whole dollar  
**Source:** Borough Chief Financial Officer

LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
AS OF JUNE 30, 2023  
UNAUDITED

Net Direct Debt of School District as of June 30, 2023	\$ 196,000
Net Overlapping Debt of School District Lakehurst Borough (1)	\$ 2,560,893
<b>Total direct and overlapping bonded debt As of June 30, 2023</b>	<b><u>\$ 2,756,893</u></b>

**Sources:** (1) Borough Chief Financial Officer

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

Year Ended December 31, 2022

Legal Debt Margin For Year Ended 2022  
Equalized valuation basis

2020	\$ 167,808,422
2021	178,504,023
2022	<u>201,387,006</u>

\$ 547,699,451

Average equalized valuation of taxable property \$ 182,566,484

Debt limit (3 % of average equalization value) \$ 5,476,995

Total Net Debt Applicable to Limit \$ 196,000

Legal debt margin \$ 5,476,995

	June 30,									
	<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	\$ 33,494,756	\$ 4,454,065	\$ 4,121,555	\$ 4,121,555	\$ 4,814,766	\$ 4,683,729	\$ 4,668,089	\$ 4,813,120	\$ 5,062,195	\$ 5,476,995
Total net debt applicable to limit	<u>4,135,000</u>	<u>921,000</u>	<u>851,000</u>	<u>781,000</u>	<u>706,000</u>	<u>546,000</u>	<u>461,000</u>	<u>376,000</u>	<u>286,000</u>	<u>196,000</u>
Legal debt margin	<u>\$ 29,359,756</u>	<u>\$ 3,533,065</u>	<u>\$ 3,270,555</u>	<u>\$ 3,340,555</u>	<u>\$ 4,108,766</u>	<u>\$ 4,137,729</u>	<u>\$ 4,207,089</u>	<u>\$ 4,437,120</u>	<u>\$ 4,776,195</u>	<u>\$ 5,280,995</u>

\$ Annual Report of the State of NJ

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

<u>Year Ended</u> <u>June 30,</u>	<u>Population <sup>a</sup></u>	<u>Personal Income</u>	<u>Per Capita</u> <u>Personal</u> <u>Income</u>	<u>Unemployment</u> <u>Rate</u>
2014	2,688	\$ 120,822,912	\$ 44,949	9.20%
2015	2,687	126,509,334	47,082	7.60%
2016	2,683	130,098,670	48,490	6.09%
2017	2,686	133,797,718	49,813	6.10%
2018	2,699	139,605,775	51,725	5.20%
2019	2,709	144,977,553	53,517	4.40%
2020	2,713	156,606,464	57,344	10.10%
2021	2,670	153,108,480	57,344	7.80%
2022	2,670	153,108,480	57,344	4.60%
2023	2,636	151,273,420	57,344	10.10%

Source: NJ Dept. of Ed Website

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

2023

DATA NOT AVAILABLE

2014

DATA NOT AVAILABLE

## **OPERATING INFORMATION**

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

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Instruction										
Regular	25.0	25.5	27.0	25.0	27.00	27.75	26.00	26.50	26.00	26.00
Special education	7.0	10.5	10.0	9.5	9.00	10.50	10.00	11.50	12.00	12.00
Special spec education										
Vocational										
Other Instruction	3.5	13.5	10.5	11.0	13.0	14.0	14.0	13.0	12.0	12.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	3.0	4.8	4.0	4.6	6.0	4.0	4.0	5.0	4.75	4.8
General administration	2.5	1.8	2.5	2.0	2.5	2.0	1.5	2.5	2.5	2.5
School administrative services	2.0	1.5	1.5	2.0	1.5	1.0	1.0	1.0	1.0	1.0
Other administrative services	1.0	1.2	1.0	3.3	1.0	3.0	1.5	1.5	1.5	1.5
Central services	3.3	3.3	3.0	1.0	3.25	2.75	3.0	3.0	3.0	3.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	0.5	1.0	0.5	0.5
Plant operations and maintenance	4.5	4.5	4.5	4.0	5.0	4.0	4.0	4.5	4.0	4.0
Pupil transportation		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other support services	11									
Special Schools										
Food Services										
Child Care									1.5	1.5
<b>Total</b>	<b>52.8</b>	<b>67.5</b>	<b>65.0</b>	<b>63.4</b>	<b>69.25</b>	<b>70.0</b>	<b>65.5</b>	<b>69.5</b>	<b>68.75</b>	<b>67.3</b>

Source: District Personnel Records



**LAKEHURST SCHOOL DISTRICT  
COUNTY OF OCEAN  
OPERATING STATISTICS  
LAST TEN (10) FISCAL YEARS**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		% Change in Average Daily Enrollment	Student Attendance Percentage
						Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>		
2014	413.0	8,131,323	19,688	36%	35.50	N/A	N/A	N/A	N/A
2015	551.0	8,885,814	16,127	18%	39.50	N/A	N/A	N/A	N/A
2016	479.0	8,981,087	18,618	12.65%	47.00	N/A	N/A	N/A	N/A
2017	469.0	9,905,221	21,120	15.51%	46.00	N/A	N/A	N/A	N/A
2018	337.0	9,499,559	28,189	37.97%	36.00	N/A	N/A	N/A	N/A
2019	370.0	11,942,250	32,276	19.35%	41.00	N/A	N/A	N/A	N/A
2020	399.0	10,282,907	25,772	-23.07%	39.50	N/A	N/A	N/A	N/A
2021	377.0	10,367,801	27,501	5.36%	38.00	N/A	N/A	N/A	N/A
2022	381.0	11,488,106	30,153	10.29%	38.00	N/A	N/A	N/A	N/A
2023	381.0	12,819,598	33,647	12.70%	38.00	N/A	N/A	N/A	N/A

**Sources:** District records

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service, capital outlay, scholarships, student activities.
- 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).
- d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

**LAKEHURST SCHOOL DISTRICT**  
**COUNTY OF OCEAN**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN (10) FISCAL YEARS**

<b><u>District Building</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Elementary School										
Square Feet	55790	55790	55790	55790	55790	55790	55790	55790	55790	55790
Capacity (Students)	521	521	521	521	521	521	521	521	521	521
Enrollment	413	383	479	469	337	370	388	377	381	381
Other:										
Central Administration										
Administration Building										
Square Feet	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES

<u>Year</u>	<u>School Facilities</u>	<u>Lakehurst Elementary</u>	<u>Total</u>
2014	N/A	\$ 150,642	\$ 150,642
2015	N/A	154,901	154,901
2016	N/A	147,401	147,401
2017	N/A	143,023	143,023
2018	N/A	143,919	143,919
2019	N/A	151,696	151,696
2020	N/A	132,830	132,830
2021	N/A	146,245	146,245
2022	N/A	131,588	131,588
2023	N/A	171,496	171,496
Total School Facilities		<u>\$ 1,473,741</u>	<u>\$ 1,473,741</u>

\* School facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2)

Source: District records

**BOARD OF EDUCATION**  
**LAKEHURST SCHOOL DISTRICT**  
**COUNTY OF OCEAN**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2023**  
**[UNAUDITED]**

<u>Type of Policy</u>	<u>Coverage</u>
<b>Coverage A</b>	
Limit of Liability	
NJSIG	\$ 5,000,000 each claim/annual member aggregate Excess of:
QBE Specialty Ins. Co.	\$ 1,000,000 each claim/\$3,000,000 annual member aggregate
Deductible	\$ 5,000 each claim
<b>Coverage B</b>	
Limit of Liability	\$ 100,000 each claim
	\$ 300,000 each policy period
Deductible	\$ 5,000 each claim
Communicable Disease Outbreak Limit	\$ 1,000,000 per claim/ \$ 9,000,000 annual NJSIG aggregate *
	(* annual NJSIG aggregate limit for communicable disease outbreak shared among GL, AL and SBLL/E&O coverages)
<b>Workers Compensation - NJSBAIG</b>	
Covered Payrolls	\$ 3,000,000
The limits of our liability under Part One, Workers' Compensation Agreement are: Statutory	
The limits of our liability under Part Two, Employers' Liability Agreement are:	
Body Injury by Accident	\$ 3,000,000 each accident
Body Injury by Disease	\$ 3,000,000 each employee
Body Injury by Disease	\$ 3,000,000 aggregate limit
Boiler Insurance Extra Expense Section	
Fidelity Bond - S.A.I.F.	
All Employees	\$ 1,000,000 per person
Treasurer - Western Surety Co.	200,000
SBA/Board Secretary - Selective Ins. Co.	85,000
School Board Legal Liability - NJSBAIG	\$ 1,000,000 /\$5,000 deductible
Student Accident - AIG	
Accidental Death	\$ 1,000,000
Dental Limit	\$ 1,000,000

Source: District records

**SINGLE AUDIT SECTION**

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

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  
Lakehurst School District  
Lakehurst, NJ 08733

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 Lakehurst 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 Lakehurst Board of Education's basic financial statements, and have issued our report thereon dated March 7, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lakehurst 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 Lakehurst 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 Lakehurst 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 7, 2024

**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 Lakehurst 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 Lakehurst Board of Education, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Lakehurst 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 Lakehurst 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 Lakehurst 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 Lakehurst 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 Lakehurst 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 Lakehurst 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 Lakehurst 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 Lakehurst 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 Lakehurst 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 Lakehurst 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 7, 2024

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

Exhibit K-3

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE June 30, 2022	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJ.	BALANCE, JUNE 30, 2023	
											(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
<b>U.S. Department of Education</b>												
General Fund:												
Impact Aid	84.041	N/A	N/A	\$ 505,000	9/1/22-8/31/23	\$ -	\$ -	\$ 505,000	\$ (505,000)	\$ -	\$ -	\$ -
Additional Impact Aid	84.041	N/A	N/A	161,241	9/1/22-8/31/23	-	-	161,241	(161,241)	-	-	-
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	N/A	36,701	7/1/22-6/30/23	-	-	36,701	(36,701)	-	-	-
Total General Fund						-	-	702,942	(702,942)	-	-	-
<b>U.S. Department of Education</b>												
Passed Through NJ Dept of Education:												
Special Revenue Fund:												
I.D.E.A.:												
Basic	84.027	H027A220100	IDEA 23	156,701	7/1/22-9/30/23	-	-	31,372	(156,701)	-	(125,329)	-
Basic	84.027	H027A210100	IDEA 22	147,530	7/1/21-9/30/22	(26,463)	-	26,463	-	-	-	-
Preschool	84.173	H173A220100	IDEA 23	7,058	7/1/22-8/31/23	-	-	2,341	(7,058)	-	(4,717)	-
Preschool	84.173	H173A210100	IDEA 22	6,493	7/1/21-9/30/22	-	-	-	-	-	-	-
CARES Act	84.425D	S425D200027	N/A	100,684	3/13/20-9/30/22	(5,215)	-	-	-	-	(5,215)	-
CRRSA ESSER II	84.425D	S425D220027	N/A	390,605	3/13/20-9/30/23	(245,479)	-	245,480	(107,258)	-	(107,257)	-
CRRSA Accelerated Learning	84.425D	S425D220027	N/A	25,067	3/13/20-9/30/23	(17,931)	-	17,931	(7,424)	288	(7,136)	-
CRRSA Mental Health	84.425D	S425D220027	N/A	45,000	3/13/20-9/30/23	(33,600)	-	33,600	(11,400)	-	(11,400)	-
ARP ESSER	84.245U	S425U220027	N/A	877,860	3/13/20-9/30/23	(79,281)	79,281	531,204	(429,349)	-	-	101,855
ARP Accelerated Learning	84.245U	S425U220027	N/A	50,000	3/13/20-9/30/23	(12,213)	-	48,463	(25,000)	-	-	11,250
ARP Mental Health/Emergency	84.245U	S425U220027	N/A	45,000	3/13/20-9/30/23	(217)	-	31,500	(31,283)	-	-	-
ARP - I.D.E.A. Basic	84.027X	H027X220100	N/A	20,213	7/1/22-9/30/23	-	-	20,313	(14,108)	-	-	6,205
ARP - I.D.E.A. Preschool	84.173X	H173X220114	N/A	-	7/1/22-9/30/23	-	-	-	-	-	-	8,537.00
ARP - Summer Learning	84.425U	S425D220027	N/A	40,000	3/13/20-9/30/24	-	-	1,724	(1,724)	-	-	-
No Child Left Behind:												
Title I	84.010A	S010A220030	NCLB23	197,917	7/1/22-9/30/23	-	(10,000)	114,719	(207,917)	-	(93,198)	-
Title I	84.010A	S010A210030	NCLB22	120,254	7/1/21-9/30/22	(21,596)	-	21,596	-	-	-	-
Title I - SIA	84.010A	S010A220030	NCLB23	20,000	9/1/22-8/31/2023	-	-	-	(20,000)	-	(20,000)	-
Title II A	84.367A	S367A220029	NCLB23	23,974	7/1/22-9/30/23	-	-	4,270	(23,974)	-	(19,704)	-
Title II A	84.367A	S367A210029	NCLB22	16,213	7/1/21-9/30/22	(2,104)	-	2,104	-	-	-	-
Total Special Revenue						(444,099)	69,281	1,133,080	(1,043,196)	288	(393,956)	127,847
<b>U.S. Department of Agriculture</b>												
Passed Through NJ Dept of Agriculture:												
Department of Agriculture:												
Enterprise Fund												
School Breakfast Program	10.553	231NJ304NN1099	N/A	40,680	7/1/22-6/30/23	-	-	37,272	(40,680)	-	(3,408)	-
School Breakfast Program	10.553	221NJ304NN1099	N/A	70,378	7/1/21-6/30/22	(5,942)	-	5,942	-	-	-	-
National School Lunch Program	10.555	231NJ304NN1099	N/A	116,909	7/1/22-6/30/23	-	-	108,356	(116,909)	-	(8,553)	-
National School Lunch Program	10.555	221NJ304NN1099	N/A	214,672	7/1/21-6/30/22	(18,496)	-	18,496	-	-	-	-
Federal HHFKA Lunch Program	10.555	221NJ304NN1099	N/A	2,710	7/1/21-6/30/22	-	-	2,515	(2,710)	-	(195)	-
Total Enterprise Fund						(24,438)	-	172,581	(160,299)	-	(12,156)	-
Total Federal Financial Awards						\$ (468,537)	\$ 69,281	\$ 2,008,603	\$ (1,906,437)	\$ 288	\$ (406,112)	\$ 127,847

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

EXHIBIT K-4

STATE GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE June 30, 2022	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	BALANCE, JUNE 30, 2023		MEMO	
								(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b><u>New Jersey Department of Education</u></b>											
General Fund											
State Aid Public:											
Special Education Categorical Aid	495-034-5120-089	\$ 346,881	7/1/22-6/30/23	\$ -		\$ 346,881	\$ (346,881)	\$ -	\$ -	\$ (34,596)	\$ 346,881
Security Aid	495-034-5120-084	135,295	7/1/22-6/30/23	-		135,295	(135,295)	-	-	(13,494)	135,295
Equilization Aid	495-034-5120-078	6,103,523	7/1/22-6/30/23	-		6,103,523	(6,103,523)	-	-	(608,731)	6,103,523
Total State Aid Public:				-		6,585,699	(6,585,699)	-	-	(656,821)	6,585,699
Transportation Aid	495-034-5120-014	70,662	7/1/22-6/30/23	-		70,662	(70,662)	-	-	(7,047)	70,662
Extraordinary Aid	495-034-5120-044	41,349	7/1/22-6/30/23	-		-	(41,349)	(36,549)	-	-	41,349
Extraordinary Aid	495-034-5120-044	72,142	7/1/21-6/30/22	(72,142)		72,142	-	-	-	-	-
Maintenance of Equity Aid	N/A	253,196	9/1/22-8/31/23	-		253,196	(253,196)	-	-	-	-
Additional Non-Public Transportation Aid	495-034-5120-014	2,496	7/1/22-6/30/23	-		-	(2,496)	-	-	-	2,496
Additional Non-Public Transportation Aid	495-034-5120-014	580	7/1/21-6/30/22	(580)		580	-	-	-	-	-
Maintenance of Equity Aid	N/A	253,196	9/1/22-8/31/23	-		253,196	(253,196)	-	-	-	-
Reimbursed TPAF Social Security Contri.	495-034-5094-003	249,712	7/1/22-6/30/23	-		228,936	(249,712)	(20,777)	-	-	249,712
Reimbursed TPAF Social Security Contri.	495-034-5094-003	246,021	7/1/21-6/30/22	-		-	-	-	-	-	-
TPAF - Post Retirement											
Medical (Noncash Assistance)	495-034-5094-001	284,017	7/1/22-6/30/23	-		284,017	(284,017)	-	-	-	284,017
TPAF - Pension											
Contributions (Noncash Assistance)	495-034-5094-002	1,081,157	7/1/22-6/30/23	-		1,081,157	(1,081,157)	-	-	-	1,081,157
TPAF - Long-Term Disability											
Insurance (Noncash Assistance)	495-034-5094-004	633	7/1/22-6/30/23	-		633	(633)	-	-	-	633
Total General Fund				(72,722)		8,830,218	(8,822,117)	(57,326)	-	(663,868)	8,315,725
Special Revenue Fund:											
Non-Public Aid:											
SDA Emergent Needs	100-034-5120-519	9,851	7/1/22-6/30/23	-		9,851	(9,851)	-	-	-	9,851
SDA Emergent Needs	100-034-5120-519	6,771	7/1/21-6/30/22	(6,738)		6,738	-	-	-	-	-
Preschool Education Aid	100-034-5120-086	1,091,394	7/1/22-6/30/23	-	74,992	1,078,811	(1,137,660)	-	-	(108,849)	1,137,660
Total Special Revenue				(6,738)	74,992	1,095,400	(1,147,511)	-	-	(108,849)	1,147,511
<b><u>New Jersey Department of Agriculture:</u></b>											
Enterprise Fund:											
National School Lunch Program	100-010-3350-023	4,122	7/1/22-6/30/23	-		3,834	(4,122)	(288)	-	-	4,122
National School Lunch Program	100-010-3350-023	5,039	7/1/21-6/30/22	(426)		426	-	-	-	-	-
National School Breakfast Program	100-010-3350-023	707	7/1/22-6/30/23	-		646	(707)	(61)	-	-	707
Total Enterprise Fund				(426)		4,906	(4,829)	(349)	-	-	4,829
Total State Financial Assistance				\$ (79,886)	\$ 74,992	\$ 9,930,524	\$ (9,974,457)	\$ (57,675)	\$ -	\$ (772,717)	\$ 9,468,065
State Financial Assistance Programs Not Subject to Calculation for Major Program Determination:											
TPAF - Post Retirement											
Medical (Noncash Assistance)	495-034-5094-001	\$ 284,017	7/1/22-6/30/23				\$ 284,017				
TPAF - Pension											
Contributions (Noncash Assistance)	495-034-5094-002	1,081,157	7/1/22-6/30/23				1,081,157				
TPAF - Long-Term Disability											
Insurance (Noncash Assistance)	495-034-5094-004	633	7/1/22-6/30/23				633				
Total State Financial Assistance Programs Not Subject to Calculation for Major Program Determination							\$ (8,608,650)				

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

**BOARD OF EDUCATION**  
**LAKEHURST 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, Lakehurst 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  
 LAKEHURST 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 a increase of \$884,6378 for the general fund and an increase of \$17,892 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	\$ 702,942	\$ 8,512,712	\$ 9,215,654
Special Revenue Fund	870,214	1,051,245	1,921,459
Food Service Fund	<u>197,282</u>	<u>4,824</u>	<u>202,106</u>
Total Awards and Assistance	<u>\$ 1,770,438</u>	<u>\$ 9,568,781</u>	<u>\$ 11,339,219</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**

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% di minimus indirect cost rate.

**BOARD OF EDUCATION  
 LAKEHURST 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 7, 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 7, 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>84.041</u>	Cluster: <u>Impact Aid</u>
<u>84.425U</u>	Cluster: <u>Education Stabilization Fund, ARP ESSER, ARP Accelerated Learning and ARP Mental Health</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**  
**LAKEHURST 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 7, 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>23-495-034-5120-084</u>	<u>Security Aid</u>
<u>23-495-034-5120-086</u>	<u>Pre-School Education Expansion Aid</u>

**Section II - Schedule of Financial Statement Findings**

None

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

None



**BOARD OF EDUCATION**  
**LAKEHURST 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.