

**SCHOOL DISTRICT
OF
LAWRENCE TOWNSHIP**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Township of Lawrence Board of Education

Cumberland, New Jersey

For the Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

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

For the Fiscal Year Ended June 30, 2023

Prepared by

Lawrence Township Board of Education

Finance Department

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

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	9-11
 Required Supplementary Information - Part I Management's Discussion and Analysis (Unaudited)	 12-20
 Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	24
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Funds:	
B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	27
B-6 Statement of Cash Flows	28
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
 Notes to the Financial Statements	 29-60

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

**TABLE OF CONTENTS
(Page 2)**

FINANCIAL SECTION (continued)	<u>Page</u>
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules (Unaudited):	
C-1 Budgetary Comparison Schedule – General Fund	61-66
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	67
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	68
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	69
L-2 Schedule of District Contributions – PERS	70
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	71
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	72
Other Supplementary Information	
D. School Based Budget Schedules (if applicable)	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures – Budget and Actual	N/A

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

**TABLE OF CONTENTS
(Page 3)**

FINANCIAL SECTION (continued)	<u>Page</u>
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	73-74
E-2 Preschool Education Aid Schedule(s) of Expenditures–Budgetary Basis Budgetary Basis	75
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance, And Project Status – Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	76
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	77
G-3 Combining Schedule of Cash Flow	78
Internal Service Fund:	
G-4 Combining Schedule of Net Position	79
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	80
G-6 Combining Schedule of Cash Flows	81
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
Not Used	82-85
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	86
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	87

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

**TABLE OF CONTENTS
(Page 4)**

STATISTICAL SECTION (Unaudited)	<u>Page</u>
Financial Trends Information	
J-1 Net Position by Component	88
J-2 Changes in Net Position	89
J-3 Fund Balances - Governmental Funds	90
J-4 Changes in Fund Balances, Governmental Funds	91
J-5 General Fund Other Local Revenue By Source	92
Revenue Capacity Information	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	93
J-7 Direct and Overlapping Property Tax Rates	94
J-8 Principal Property Taxpayers	95
J-9 Property Tax Levies and Collections	96
Debt Capacity Information	
J-10 Ratios of Outstanding Debt by Type	97
J-11 Ratios of General Bonded Debt Outstanding	98
J-12 Direct and Overlapping Governmental Activities Debt	99
J-13 Legal Debt Margin Information	100
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	101
J-15 Principal Employers	102
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	103
J-17 Operating Statistics	104
J-18 School Building Information	105
J-19 Schedule of Required Maintenance Expenditures by School Facility	106
J-20 Insurance Schedule	107

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

**TABLE OF CONTENTS
(Page 5)**

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	108-109
K-2	Report on Compliance with Requirements Applicable for Each Major Program and on Internal Control Over Compliance in Accordance with New Jersey OMB Circular Letter 15-08	110-112
K-3	Schedule of Expenditures of Federal Awards, Schedule A	113
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	114
K-5	Notes to Schedules of Awards and Financial Assistance	115-116
K-6	Schedule of Findings and Questioned Costs- Summary of Auditor's Results	117-118
K-6	Schedule of Findings and Questioned Costs- Financial Statement, Federal Awards and State Financial Assistance	119-120
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	121

INTRODUCTORY SECTION

Lawrence Township School District

225 MAIN STREET
CEDARVILLE, NJ 08311

Phone (856) 447-4409

FAX (856) 447-3446

Dr. Shelley Marie Magan x 5000
Chief School Administrator

Lisa M. DiNovi x 5690
Board Secretary/Business Administrator

December 1, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Lawrence Township School District for the fiscal year ended June 30, 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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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

Lawrence Township School District provides a full range of educational services appropriate for grade levels Pre-K through Eighth grade. These include regular education, as well as special education for handicapped students. Our students in grades 9-12 are sent to Cumberland Regional High. The Lawrence Township School District completed the 2022-2023 fiscal year with an enrollment of 483 students, which was a increase of 2 students more than the prior year. The following shows changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-23	483	0.42%
2021-22	481	0.21%
2020-21	480	(5.13%)
2019-20	506	.10%
2018-19	460	(1.08%)

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

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

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

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

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

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 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. These funds are explained in "Notes to the Financial Statements," Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR END:

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

8. DEBT ADMINISTRATION:

As of June 30, 2023, the District has total Long-term Debt of \$2,613,994 made up of \$406,000 in Serial Bonds, Net Pension Liability of \$1,878,356, Right to Use Lease Liability of \$27,992 and \$300,746 in uncompensated absences. The amount available to authorize debt is \$6,627,095, as shown on Exhibit J-13.

9. CASH MANAGEMENT:

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

10. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, PA. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

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

Respectfully submitted,

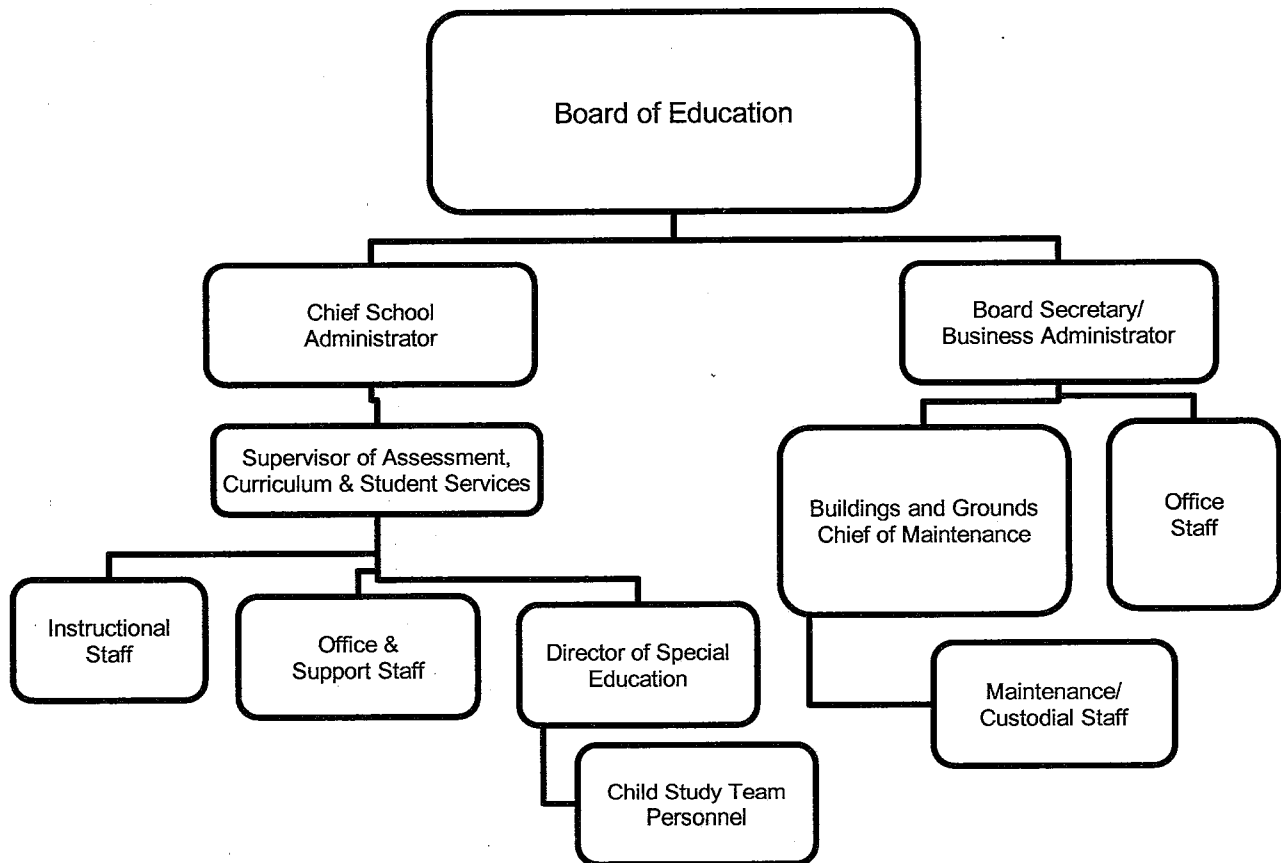
Dr. Shelleymarie Magan

Dr. Shelleymarie Magan
Chief School Administrator

Lisa M. DiNovi

Lisa M. DiNovi
Board Secretary / Business Administrator

Lawrence Township Board of Education Organizational Chart



LAWRENCE TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Edward J. Cox Jr., President	2023
Linda Miletta, Vice President	2025
Kristen Figueroa	2024
Cara Garrison	2024
Shannon McNiss	2023

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
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P.O. Box 799
Williamstown, NJ 08094

ARCHITECT

Garrison Architects
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ATTORNEY

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OFFICIAL DEPOSITORY

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975 Hooper Avenue
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SCHOOL PHYSICIAN

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INSURANCE AGENT

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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Fax (856) 728-2245
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey, as of June 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023 on our consideration of the Lawrence Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lawrence Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Lawrence Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



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

December 1, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Lawrence Township School District Management Discussion and Analysis (Unaudited)

This section of the Lawrence Township School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2023. Comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Annual Comprehensive Financial Report (ACFR)

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

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

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

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

Key financial highlights for 2023 are as follows:

- The assets of the Lawrence School District exceeded its liabilities at the close of the most recent fiscal year on June 30, 2023 by \$6,947,575.
- Total net position of governmental activities increased by \$51,712, excluding a fixed asset and a prior period adjustment, as well as a transfer to a charter school. This was comprised of changes in various assets and liabilities. The net position of Business-type Activities decreased by \$129,921.
- As of the close of the current fiscal year, the Township of Lawrence School District's Governmental Funds reflected combined ending fund balances of \$2,792,903, which is a increase of \$66,697 from the prior year.

- General revenues accounted for \$11,873,618, including the effects of the transfer to a charter school totaling \$20,698 and a prior year Right-to-Use Assets and Lease Liability Adjustment of \$0, which was 88.9% percent of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$1,483,511 or 11.1% percent to total revenues of \$13,357,129.
- The School District had \$13,435,338 in expenses, of which \$1,483,511 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) were adequate to provide for these programs, which include the Business-type Activities.
- The General Governmental Fund had \$10,703,419 in revenues, \$10,622,623 in expenditures and transferred to the Charter School \$20,698, along with \$0 in Preschool Inclusion in other net financing uses. The General Fund balance increased by \$60,098 over 2023. This increase was anticipated by the Board of Education, although fund balance of \$689,038 was used to balance the budget, as shown on Exhibit C-1.

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

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

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

The District may implement four types of funds:

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

The School District as a Whole

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

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 3,712,490	\$ 3,610,887	\$ 274,440	\$ 407,929	\$ 3,986,930	\$ 4,018,816
Capital Assets, Net	5,721,566	5,958,728	13,771	12,845	5,735,337	5,971,573
Total Assets	9,434,056	9,569,615	288,211	420,774	9,722,267	9,990,389
Deferred Outflow of Resources	652,493	799,964			652,493	799,964
Liabilities						
Current Liabilities	389,886	216,332	41,270	43,912	431,156	260,244
Non-Current Liabilities	2,613,094	2,496,363			2,613,094	2,496,363
Total Liabilities	3,002,980	2,712,695	41,270	43,912	3,044,250	2,756,607
Deferred Inflow of Resources	382,935	1,007,962			382,935	1,007,962
Net Position						
Invested in Capital Assets, Net of Debt	5,287,574	5,248,212	13,771	12,845	5,301,345	5,261,057
Restricted	3,143,665	2,927,252			3,143,665	2,927,252
Unrestricted (Deficit)	(1,730,605)	(1,526,542)	233,170	364,017	(1,497,435)	(1,162,525)
Total Net Position	\$ 6,700,634	\$ 6,648,922	\$ 246,941	\$ 376,862	\$ 6,947,575	\$ 7,025,784

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

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2023	2022	2023	2022	2023	2022
Revenues						
Programs Revenues						
Charges for Services	\$ 242,047	\$ 481,482	\$ 130,027	\$ 71,776	\$ 372,074	\$ 553,258
Operating Grants	903,375	1,957,772	208,062	403,296	1,111,437	2,361,068
General Revenues						
Property Taxes	2,703,192	2,700,375			2,703,192	2,700,375
Grants and Entitlements	9,147,948	8,180,061			9,147,948	8,180,061
Other	43,141	104,208	35	22	43,176	104,230
Total Revenues	\$ 13,039,703	\$ 13,423,898	\$ 338,124	\$ 475,094	\$ 13,377,827	\$ 13,898,992
Program Expenses						
Instruction	4,859,855	4,720,812			4,859,855	4,720,812
Tuition	1,060,594	957,680			1,060,594	957,680
Pupil and Instructional Staff	974,467	953,647			974,467	953,647
General Administration, School						
Administration, Business	638,499	644,915			638,499	644,915
Operations and Maintenance of Facilities	508,365	554,822			508,365	554,822
Pupil Transportation	843,963	917,396			843,963	917,396
Employee Benefits	3,700,717	3,773,102			3,700,717	3,773,102
Interest on Debt	57,770	69,507			57,770	69,507
Internal Services	323,063	455,773			323,063	455,773
Food Service & After School Care			468,045	338,089	468,045	338,089
Total Expenses	\$ 12,967,293	\$ 13,047,654	\$ 468,045	\$ 338,089	\$ 13,435,338	\$ 13,385,743
Excess of Revenue over Expenditures	72,410	376,244	(129,921)	137,005	(57,511)	513,249
Less:						
Transfer to Charter school	(20,698)	(19,764)			(20,698)	(19,764)
Increase in Net Position	\$ 51,712	\$ 356,480	\$ (129,921)	\$ 137,005	\$ (78,209)	\$ 493,485

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's Property taxes made up 22.8% percent of the net revenues for governmental activities of \$11,873,583. Federal, state and local grants accounted for another 77% and other net revenues were .2%. The total cost of services, as shown below, was \$12,967,293. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$11,821,871. Instruction comprises 41.1% of these net District expenses.

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

Table 3

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 4,859,855	\$ 3,479,849	\$ 4,720,812	\$ 3,609,302
Tuition	1,060,594	1,060,594	957,680	957,680
Pupil and Instructional Staff	974,467	616,423	953,647	775,440
General Administration, School				
Administration, Business	638,499	638,499	644,915	644,915
Operation and Maintenance of Facilities	508,365	508,365	554,822	554,822
Pupil Transportation	843,963	843,963	917,396	917,396
Employee Benefits	3,700,717	4,515,302	3,773,102	3,098,237
Interest on Debt	57,770	57,770	69,507	69,507
Internal Service Fund	323,063	101,106	455,773	(18,899)
Total Expenses	<u>\$ 12,967,293</u>	<u>\$ 11,821,871</u>	<u>\$ 13,047,654</u>	<u>\$ 10,608,400</u>

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

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

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

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

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

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

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

Business-Type Activities

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

- Expenditures exceeded Revenues by \$129,956 in the Food Service Fund. There was also \$35 in interest earnings during the year.
- Charges for services represent \$130,027 in the Food Service Fund. This represents amount paid by patrons for daily food service activities.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$208,062.

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (i.e., General Fund, Special Revenue Fund and Capital Project Fund presented in the fund-based statements) had total revenues of \$13,187,088, expenditures of \$13,099,693 and other net financing uses of \$20,698, which was for a transfer to a charter school. The net change in fund balance for the year was \$66,697. This demonstrates that the District was able to meet current operating costs with no urgent need for additional funds other than \$689,038 in surplus appropriated to balance the 2022-2023 budget.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the Governmental Funds (excluding Capital Projects) for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 2,766,423	20.98%	\$ (51,248)	-1.82%
State Sources	8,951,957	67.88%	(345,129)	-3.71%
Federal Sources	1,468,708	11.14%	604,516	69.95%
Total	<u>\$ 13,187,088</u>	<u>100.00%</u>	<u>\$ 208,139</u>	<u>1.60%</u>

The increase in Local sources is attributed to increases in the tax levy of \$2,817, miscellaneous revenues of \$10,529, and interest revenues of \$3,373, offset by a decrease in tuition of \$67,967.

The decrease in State sources is attributed to decreases in State Public School aid of \$321,796 and debt service of \$62,341, offset by increases in various Special Revenue Fund Grants of \$39,008.

The increase in Federal sources is attributed to net increases in various federal awards totaling \$604,516.

The above schedule includes the two last state aid payments for 2021-2022 of \$605,011 received in July 2022 and does not include the two last state aid payments for 2022-2023 received in July 2023 in the amount of \$573,082.

The increase in Federal sources is due to various increases in the Special Revenue Fund Grants. In addition, the 2023 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of General Fund and Special Revenue Fund Expenditures for the fiscal year ended June 30, 2023 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2022	Percent Increase (Decrease)
Current:				
Instruction	\$ 4,613,865	35.22%	\$ 118,453	2.63%
Undistributed expenditures	8,133,623	62.09%	336,047	4.31%
Capital Outlay	91,472	0.70%	(218,117)	-70.45%
Debt Service	260,733	1.99%	(107,986)	-29.29%
Total	<u>\$ 13,099,693</u>	<u>100.00%</u>	<u>\$ 128,397</u>	<u>0.99%</u>

The increase in Instructional Expenditures is attributed to an increase in Regular Instruction of \$169,949, offset by decreases in Special Education Instructional Expenses of \$41,793 and Other Instruction Expenses of \$9,703.

The increase in Undistributed Expenditures was due to increases in Tuition of \$102,914, Student Related costs of \$20,820, School Administrative Services costs of \$40,133, and Employee Benefits of \$317,622, offset by decreases in General Administration costs of \$21,194, Central Services costs of \$27,575, Administrative Information Technology costs of \$1,950, Plant and Maintenance costs of \$21,290, and Pupil Transportation costs of \$73,433.

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

General Fund Budgeting Highlights

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

During the course of the fiscal year 2023, the School District amended its General Fund budget as needed. The School District uses program-based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

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

While the District's final budget for the general fund anticipated that revenues, including \$689,038 of surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase of \$28,169 as shown on Exhibit C-1.

- Actual revenues were \$74,387 more than expected, excluding on-behalf pension and social security reimbursements of \$2,215,125, due to the increased adjustment aid.
- Actual expenditures were \$706,507 less than expected. This excludes state on-behalf pension and social security reimbursements of \$2,215,125, reflecting favorable variances in most expenditure accounts.

Capital Assets

At the end of the fiscal year 2023, the School District had \$5,735,337 (net of accumulated depreciation) 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 25,071	\$ 25,071			\$ 25,071	\$ 25,071
Site Improvements	79,489	22,709			79,489	22,709
Building and Improvements	5,372,637	5,606,754			5,372,637	5,606,754
Right-To-Use Lease Equipment	34,259	50,532			34,259	50,532
Equipment	169,585	253,662	\$ 54,296	\$ 12,845	223,881	266,507
Totals	\$ 5,681,041	\$ 5,958,728	\$ 54,296	\$ 12,845	\$ 5,735,337	\$ 5,971,573

Overall net Capital Assets decreased by \$236,236 from fiscal year 2022 to fiscal year 2023, representing general fixed asset additions of \$51,452 and enterprise additions of \$45,160, offset by depreciation expense of \$332,848.

Long-Term Debt:

At year-end, the District had outstanding long-term debt of \$2,613,094 comprised of compensated absences of \$300,746, Serial Bonds of \$406,000, Right-To-Use Lease Liability of \$27,992 and Net Pension Liability of \$1,878,356. There was no other outstanding debt authorized or issued (Note 9 to the Financial Statements). The amount of debt available for authorization by statute is \$6,627,095, as shown on Exhibit J-13.

Factors Bearing on the District's Future

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
ASSETS			
Cash and Cash Equivalents	\$ 1,450,443	\$ 258,222	\$ 1,708,665
Receivables, Net	821,247	13,775	835,022
Inventory		2,443	2,443
Restricted Assets:			
Cash	1,440,800		1,440,800
Capital Assets, Net (Note 7)	5,721,566	13,771	5,735,337
Total Assets	<u>9,434,056</u>	<u>288,211</u>	<u>9,722,267</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	<u>652,493</u>		<u>652,493</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	372,901	25,864	398,765
Unearned Revenue	11,910	15,406	27,316
Accrued Interest	5,075		5,075
Noncurrent Liabilities:			
Due Within One Year	281,525		281,525
Due Beyond One Year	2,331,569		2,331,569
Total Liabilities	<u>3,002,980</u>	<u>41,270</u>	<u>3,044,250</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	<u>382,935</u>		<u>382,935</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	5,287,574	13,771	5,301,345
Restricted for:			
Capital Projects	852,142		852,142
Excess Surplus	1,022,988		1,022,988
Unemployment Compensation	157,541		157,541
Scholarships	17,620		17,620
Student Activities	20,687		20,687
Other Purposes	1,072,687		1,072,687
Unrestricted (Deficit)	<u>(1,730,605)</u>	<u>233,170</u>	<u>(1,497,435)</u>
Total Net Position	<u>\$ 6,700,634</u>	<u>\$ 246,941</u>	<u>\$ 6,947,575</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,889,241	\$	\$ 1,380,006	\$ (2,509,235)	\$	\$ (2,509,235)
Special Education	857,764			(857,764)		(857,764)
Other Instruction	112,850			(112,850)		(112,850)
Support Services:						
Tuition	1,060,594			(1,060,594)		(1,060,594)
Student & Instruction Related Services	974,467	20,090	337,954	(616,423)		(616,423)
General and Business Administrative Services	188,567			(188,567)		(188,567)
School Administrative Services	275,555			(275,555)		(275,555)
Central Services	138,711			(138,711)		(138,711)
Administrative Information Technology	35,666			(35,666)		(35,666)
Plant Operations and Maintenance	508,365			(508,365)		(508,365)
Pupil Transportation	843,963			(843,963)		(843,963)
Unallocated Benefits	3,700,717		(814,585)	(4,515,302)		(4,515,302)
Interest on Debt	57,770			(57,770)		(57,770)
Internal Service	323,063	221,957		(101,106)		(101,106)
Total Governmental Activities	12,967,293	242,047	903,375	(11,821,871)		(11,821,871)
Business-type Activities:						
Food Service	468,045	130,027	208,062		(129,956)	(129,956)
Total Business-type Activities	468,045	130,027	208,062		(129,956)	(129,956)
Total Primary Government	\$ 13,435,338	\$ 372,074	\$ 1,111,437	(11,821,871)	(129,956)	(11,951,827)
General revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,703,192		2,703,192
Federal and State Aid not restricted				9,147,948		9,147,948
Tuition Fees				24,812		24,812
Miscellaneous Income				18,329		18,329
Transfer To Charter School				(20,698)		(20,698)
Interest Earned					35	35
Total General Revenues, Special Items, Extraordinary Items and Transfers				11,873,583	35	11,873,618
Change in Net Position				51,712	(129,921)	(78,209)
Net Position - Beginning				6,648,922	376,862	7,025,784
Net Position - Ending				\$ 6,700,634	\$ 246,941	\$ 6,947,575

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 878,477	\$ 38,307	\$	\$ 916,784
Cash - Capital Reserve	852,142			852,142
Cash - Maintenance Reserve	338,658			338,658
Cash - Emergency Reserve	250,000			250,000
Accounts Receivables:				
Intergovernmental	28,628			28,628
Federal		714,062		714,062
State	77,657			77,657
Interfund Receivable	449,183			449,183
Total Assets	\$ 2,874,745	\$ 752,369	\$	\$ 3,627,114
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 35,778	\$ 329,052	\$	\$ 364,830
Payroll Deductions and withholdings Payable	8,071			8,071
Interfund Payable	1,999	447,401		449,400
Unearned Revenue		11,910		11,910
Total Liabilities	45,848	788,363		834,211
Fund Balances:				
Restricted For:				
Capital Reserve	852,142			852,142
Maintenance Reserve	338,658			338,658
Emergency Reserve	250,000			250,000
Excess Surplus - Designated for Subsequent Year's Expenditures	468,812			468,812
Excess Surplus	554,176			554,176
Unemployment Compensation	157,541			157,541
Scholarship		17,620		17,620
Student Activity		20,687		20,687
Assigned Fund Balance:				
Designated for Subsequent Year's Expenditures	226,870			226,870
Encumbrances	187,159			187,159
Tuition Reserve	70,000			70,000
Unassigned, Reported In:				
General Fund (Deficit)	(276,461)			(276,461)
Special Revenue Fund (Deficit)		(74,301)		(74,301)
Debt Service				
Total Fund Balances (Deficit)	2,828,897	(35,994)		2,792,903
Total Liabilities and Fund Balances	\$ 2,874,745	\$ 752,369	\$	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,841,911 and the accumulated depreciation is \$5,160,870 (Note 7).	5,681,041
Deferred Outflows of Resources - Deferred Pension Contributions	652,493
Deferred Inflows of Resources - Pension Actuarial gains	(382,935)
Internal Service Fund Net Position	575,301
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(5,075)
Long-term Liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,878,356)
Right of Use Lease Payable is not due and payable in the current period and therefore, are not reported in the funds	(27,992)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds (see Note 9).	(706,746)
Net Position of Governmental Activities	\$ 6,700,634

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 2,471,595	\$	\$ 231,597	\$ 2,703,192
Tuition Fees	24,812			24,812
Unrestricted Miscellaneous Revenues	1,722	29,092		30,814
Interest Earned	7,605			7,605
Total Local Sources	2,505,734	29,092	231,597	2,766,423
State Sources	8,160,797	762,025	29,135	8,951,957
Federal Sources	36,888	1,431,820		1,468,708
Total Revenues	10,703,419	2,222,937	260,732	13,187,088
EXPENDITURES				
Current:				
Regular Instruction	2,281,928	1,380,006		3,661,934
Special Education Instruction	839,081			839,081
Other Instruction	112,850			112,850
Support Services:				
Tuition	1,060,594			1,060,594
Student & Instruction Related Services	636,513	337,954		974,467
General Administration	163,657			163,657
School Administrative Services	250,645			250,645
Central Services	138,711			138,711
Administrative Information Technology	35,666			35,666
Plant Operations and Maintenance	511,560			511,560
Pupil Transportation	843,963			843,963
Employee Benefits	3,655,983	498,377		4,154,360
Capital Outlay	91,472			91,472
Debt Service				
Principal			240,000	240,000
Interest			20,733	20,733
Total Expenditures	10,622,623	2,216,337	260,733	13,099,693
Excess (Deficiency) of Revenues Over Expenditures	80,796	6,600	(1)	87,395
OTHER FINANCING SOURCES (USES)				
Transfer to Charter School	(20,698)			(20,698)
Transfer to Preschool Program				
Total Other Financing Sources and Uses	(20,698)		(1)	(20,698)
Net Change in Fund Balances	60,098	6,600		66,697
Fund Balance - July 1 (Deficit)	2,768,799	(42,594)	1	2,726,206
Fund Balance—June 30 (Deficit)	\$ 2,828,897	\$ (35,994)	\$ -	\$ 2,792,903

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 66,697
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation expense	\$ (329,139)
Capital outlays	51,452
	<hr/> (277,687)
Decrease in Accrued Interest	2,983
Pension contributions are reported in governmental funds as expenditures. However, In the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including Service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.	
Repayment of right-to-use lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	36,524
The issuance of long-term debt through bonds or leases provides current financial resources to the governmental funds, while the repayment of principal on long-term debt represents a use of resources in governmental funds. The payment of long-term debt principal is not a use of funds in the statement of activities.	240,000
Pension Expense recognized for GAAP but not for budgetary purposes.	141,409
Increase in Internal Service Fund	(101,106)
In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year, such as compensated absences. In the governmental funds, however, expenditures are reported when the corresponding financial resources are used or paid.	<hr/> (57,108)
Change in Net Position of Governmental Activities (A-2)	\$ 51,712

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

PROPRIETARY FUNDS

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities Enterprise Fund Food Service	Governmental Activities Internal Service Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 258,005	\$ 533,876	\$ 791,881
Accounts Receivable:			
State	290		290
Federal	11,346		11,346
Interfund Receivable	1,999		1,999
Other	2,139		2,139
Other Program Fees		900	900
Inventory	2,443		2,443
Total Current Assets	<u>276,222</u>	<u>534,776</u>	<u>810,998</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	126,758	51,387	178,145
Less Accumulated Depreciation	(112,987)	(10,862)	(123,849)
Total Noncurrent Assets	<u>13,771</u>	<u>40,525</u>	<u>54,296</u>
Total Assets	<u><u>\$ 289,993</u></u>	<u><u>\$ 575,301</u></u>	<u><u>\$ 865,294</u></u>
LIABILITIES AND FUND EQUITY:			
Current Liabilities:			
Accounts Payable	\$ 25,864	\$	\$ 25,864
Interfund Payable	1,782		1,782
Prepaid Latchkey	1,340		1,340
Unearned Revenue	14,066		14,066
Total Current Liabilities	<u>43,052</u>		<u>43,052</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	13,771	40,525	54,296
Unrestricted	233,170	534,776	767,946
Total Net Position	<u>246,941</u>	<u>575,301</u>	<u>822,242</u>
Total Liabilities & Net Position	<u><u>\$ 289,993</u></u>	<u><u>\$ 575,301</u></u>	<u><u>\$ 865,294</u></u>

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund	Total
Operating Revenues:			
Charges for Services:			
Food Sales Reimbursable Programs	\$ 65,727	\$	\$ 65,727
Food Sales Non-Reimbursable Programs	64,300		64,300
Charges for services		221,957	221,957
Total Operating Revenue:	130,027	221,957	351,984
Operating Expenses:			
Salaries and benefits	154,060	317,510	471,570
Supplies and Materials	12,011	4,158	16,169
Cost of Sales - Reimbursable	157,587		157,587
Cost of Sales - Non Reimbursable	5,446		5,446
Repairs and Maintenance	2,711		
Management Fees	39,061		39,061
Utilities	33,375		33,375
Other Purchased Services		650	
Miscellaneous	60,830		60,830
Depreciation	2,964	745	3,709
Total Operating Expenses	468,045	323,063	787,747
Operating Income (Loss)	(338,018)	(101,106)	(435,763)
Non-operating Revenues (Expenses):			
State Sources:			
School Breakfast Program (State Share)	562		562
National School Lunch Program (State Share)	4,069		4,069
Federal Sources:			
School Breakfast Program	40,887		40,887
National School Lunch Program	116,679		116,679
P-EBT Administrative Cost Reimbursement	653		653
Supply Chain Assistance Funding	21,832		21,832
Food Distribution Program	23,380		23,380
Interest	35		35
Total Non-operating Revenues (Expenses)	208,097		208,097
Income (Loss) before Contributions & Transfers	(129,921)	(101,106)	(227,666)
Change in Net Position	(129,921)	(101,106)	(231,027)
Total Net Position - July 1	376,862	676,407	1,053,269
Total Net Position - June 30	\$ 246,941	\$ 575,301	\$ 822,242

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 130,027	\$ 221,957	\$ 351,984
Payments to Employees	(154,060)	(313,259)	(467,319)
Payments to Suppliers	(167,380)		(167,380)
Payment to Others	(60,830)	(4,808)	(65,638)
Net Cash Provided by (used for) Operating Activities	(252,243)	(96,110)	(348,353)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	4,631		4,631
Federal Sources	203,431		203,431
Interfund Transfer			
Net Cash Provided by (used for) Non-capital Financing Activities	208,062		208,062
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Purchases of Capital Assets	(3,890)	(41,270)	(45,160)
Net Cash Used by Capital Financing	(3,890)	(41,270)	(45,160)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	35		35
Net Cash Provided by (used for) Investing Activities	35		35
Net Increase (Decrease) in Cash and Cash Equivalents	(48,036)	(137,380)	(185,416)
Balances—Beginning of Year	306,041	671,256	977,297
Balances—End of Year	\$ 258,005	\$ 533,876	\$ 791,881
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (338,018)	\$ (101,106)	\$ (439,124)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	2,964	745	3,709
(Increase)Decrease in Accounts Receivable, Net	29,963	4,251	34,214
(Increase)Decrease in Interfund Receivable, Net	55,250		55,250
(Increase)Decrease in Inventories	240		240
Increase(Decrease) in Accounts Payable	(8,212)		(8,212)
Increase(Decrease) in Interfund Payable			
Increase(Decrease) in Unearned Revenue	5,570		5,570
Total Adjustments	85,775	4,996	90,771
Net Cash Provided by (used for) Operating Activities	\$ (252,243)	\$ (96,110)	\$ (348,353)

Noncash Investing, Capital, and Financing Activities:

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The Lawrence Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of five (5) members elected to three (3) year terms. The purpose of the district is to educate students in grades K-8. The Lawrence Township School District had an enrollment at June 30, 2023 of 483 students.

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

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

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

The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities.

B. Basic Financial Statements – Governmental Wide Financial Statements

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

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

C. Basic Financial Statements – Fund Financial Statements

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

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

1. Governmental Funds:

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

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.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

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.

2. Proprietary Funds:

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

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

3. Fiduciary Funds:

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

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

E. Financial Statement Amounts

1. Cash and Cash Equivalents:

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

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

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

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

E. Financial Statement Amounts – (Continued)

2. Investments:

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

3. Inventories:

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

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

At June 30, 2022, the ending inventory was made up of \$ 429 in Commodity Food, \$1,147 in purchased food and \$867 in supplies.

4. Capital Assets:

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	20 -50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 – 10
Computer equipment	5 – 10

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

5. Revenues:

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

E. Financial Statement Amounts – (Continued)

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

9. Budgets/Budgetary Control:

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

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

E. Financial Statement Amounts – (Continued)

10. Tuition Receivables:

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

11. 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 subjected to change when the actual costs have been determined.

12. Use of Estimates:

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

13. Allocation of Costs:

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

14. Pensions

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

15. Net position

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

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The school district applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

E. Financial Statement Amounts – (Continued)

16. Fund balances - Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

17. Tax assessments and property taxes:

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

F. New Accounting Standards

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 96 – Subscription-Based Information Technology Arrangements was effective after June 15, 2022 and was considered by Management.
- GASB Statement No. 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. Management is evaluating the potential impact of the adoption of GASB 99 on the School District's financial statements.
- GASB Statement No. 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. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.
- GASB Statement No. 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. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Deposits:

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

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

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

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

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

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

	<u>Cash and Cash Equivalents</u>
Checking Account	\$3,149,465
TOTAL	<u>\$3,149,465</u>

Custodial Credit Risk:

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

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2022, the District's bank balance \$3,339,969 and was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	<u>3,089,969</u>
TOTAL	<u>\$ 3,339,969</u>

Interest Rate Risk

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

Credit Risk

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

Unrestricted cash

Governmental funds, Balance Sheet	B-1	\$ 916,784
Enterprise funds, Statement of Net Position	B-4	258,005
Internal service funds, Statement of Net Position	B-4	533,876

Restricted cash

Governmental funds, Balance Sheet	B-1	<u>1,440,800</u>
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Total cash \$ 3,149,465

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 - CAPITAL RESERVE ACCOUNT

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

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Capital Reserve Account by Board Resolution in June 2023.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 951,917
Interest earnings	225
Deposits	
Approved in 2022/2023	
Withdrawals	
Approved 2022/2023 Budget	(100,000)
Ending balance, June 30, 2023	<u>\$ 852,142</u>

NOTE 4 – MAINTENANCE RESERVE

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

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 year is as follows:

Beginning Balance July 1, 2022	\$ 338,608
Deposits – Interest	50
Withdrawals – Board Resolution	
Ending Balance June 30, 2023	<u>\$ 338,658</u>

The June 30, 2023 maximum maintenance reserve amount is \$620,000.

NOTE 5 – EMERGENCY RESERVE

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 – EMERGENCY RESERVE - (Continued)

The activity of the emergency reserve for the July 1, 2022 to June 30, 2023 year is as follows:

Beginning Balance, July 1, 2022	\$ 250.000
Added in 2022-2023	
Withdrawn in 2023-2024	
Ending Balance, June 30, 2023	<u>\$ 250.000</u>

NOTE 6 - TUITION RESERVE ACCOUNTS

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

As of June 30, 2023, the district has reserved the following amounts in the tuition reserve accounts, of which \$100,000 has been appropriated in the 2023-2024 budget:

Beginning Balance, July 1, 2022	\$ 170.000
Added in 2022-2023	
Withdrawn in 2023-2024	(100,000)
Ending Balance, June 30, 2023	<u>\$ 70,000</u>

The District's 2023-24 budget included a withdrawal of \$70,000 for tuition.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 7 - FIXED ASSETS

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

	Beginning Balance 7/1/2022	Additions	Adjustment/ Retirements	Ending Balance 6/30/2023
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	\$ 25,071	\$ -	\$ -	\$ 25,071
Total Capital Assets not Being Depreciated	25,071			25,071
Capital Assets Being Depreciated and Amortized				
Building and Building Improvements	9,743,528	4,900	8,090	9,756,518
Site Improvements	174,669	46,552	24,140	245,361
Machinery & Equipment	781,745		(48,148)	733,597
Right-to-Use Lease Assets	81,364			81,364
Totals at Historical Cost	10,781,306	51,452	(15,918)	10,816,840
Less Accumulated Depreciation and Amortization				
Building and Improvements	(4,136,774)	(239,017)	(8,090)	(4,383,881)
Site Improvements	(151,960)	10,228	(24,140)	(165,872)
Machinery & Equipment	(528,083)	(84,077)	48,148	(564,012)
Right-to-Use Lease Assets	(30,832)	(16,273)		(47,105)
Total Accumulated Depreciation and Amortization	(4,847,649)	(329,139)	15,918	(5,160,870)
Total Capital Assets Being Depreciated and Amortized, Net of Accumulated Depreciation and Amortization	5,933,657	(277,687)	-	5,655,970
Government Activities Capital Assets, Net	\$ 5,958,728	\$ (277,687)	\$ -	\$ 5,681,041
	To A-1			To A-1
Business-type Activities - Equipment				
Equipment - Enterprise Fund	\$ 122,868	\$ 3,890		\$ 126,758
Equipment - Internal Service Fund	10,117	41,270		51,387
Less Accumulated Depreciation				
Equipment - Enterprise Fund	(110,023)	(2,964)		(112,987)
Equipment - Internal Service Fund	(10,117)	(745)		(10,862)
Business-type Activities Capital Assets, Net	\$ 12,845	\$ 41,451	\$ -	\$ 54,296

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

Instruction:

Regular	\$ 227,307
Special Education	18,683
Support Services:	
School Administration	24,910
General and Business Administrative Services	24,910
Plant Operations and Maintenance	33,329
Total Depreciation Expense	\$ 329,139

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 8 - OPERATING LEASES

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

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

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

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

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

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

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

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2023, total future minimum lease payments under right-to-use lease agreements are as follows:

Year		Amount
June 30,		
2024	\$	22,692
2025		5,300
Total	\$	27,992

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 9 - GENERAL LONG-TERM DEBT

Type of Debt	Balance at 6/30/2022	Issued	Retired	Balance at 6/30/2023	Amounts Due Within 1 Year	Long-Term Portion
Compensated absences payable	\$ 243,638	\$ 57,108		\$ 300,746	\$ 58,833	\$ 241,913
Bonds payable	646,000		\$ 240,000	406,000	200,000	206,000
Net Pension Liability	1,542,209	336,147		1,878,356		1,878,356
Right-to-Use Lease Liability	64,516		36,524	27,992	22,692	5,300
Total	<u>\$ 2,496,363</u>	<u>\$ 393,255</u>	<u>\$ 276,524</u>	<u>\$ 2,613,094</u>	<u>\$ 281,525</u>	<u>\$ 2,331,569</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

A. Bonds Payable:

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

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

The \$2,345,000 Refunding Bonds, included issuance costs of \$29,454. \$2,296,225 was used to retire bonds from the 1998 issue and \$19,321 was returned to the District. The gross debt service savings to the District is \$95,645 and the economic benefit to the District is estimated to be \$77,042. The balance in these bonds was paid off as of June 30, 2023.

On January 7, 2010, the District issued School Bonds in the amount of \$2,216,000 in order to partially finance the construction of an addition as well as undertake various improvements and renovations to the Myron L. Powell Elementary School. The total cost of the project is \$6,549,146. The project is being permanently funded through the aforementioned Bonds in the amount of \$2,216,000., a grant from the State of New Jersey in the amount of \$4,032,260, the transfer of \$300,000 from the Capital Reserve Account and \$786 of other available Board funds. The balance in these bonds as of June 30, 2023 is \$406,000.

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$200,000	\$11,475	\$211,475
2025	206,000	3,863	209,863
TOTAL	<u>\$406,000</u>	<u>\$15,338</u>	<u>\$ 421,338</u>

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

A. Bond Authorized But Not Issued:

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

B. Capital Leases Payable:

The district has no capital leases.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 10. PENSION PLANS

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

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$87,463. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2023, and 2022, were \$156,957 and \$150,851 respectively.

The total payroll for the year ended June 30, 2023 was \$6,046,391. Payroll covered by PERS was \$1,166,168 for fiscal year 2023.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Components of Net Pension Liability - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$1,878,356. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022 was 0.012447% which was a decrease of 0.00043% from its proportion measured as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2023 PERS pension expense, with respect to GASB 68, was \$37,920. The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,557	\$ 11,955
Changes of assumptions	5,820	281,264
Net difference between projected and actual earnings on pension plan investments	77,743	
Changes in proportion	398,416	89,716
Contributions subsequent to the measurement date	156,957	
Total	\$ 652,493	\$ 382,935

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

Year	PERS
2023	\$ 42,897
2024	33,817
2025	(6,380)
2026	42,534
2027	(267)
Thereafter	
Total	\$ 112,601

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Additional Information - Collective Balances at June 30, 2023 and 2022 are as follows:

Year		2023		2022
Collective deferred outflows of resources	\$	652,493	\$	799,964
Collective deferred inflows of resources	\$	382,935	\$	1,007,962
Collective Net Pension Liability	\$	1,878,356	\$	1,542,209
District's Proportion		0.012447%		0.012881%

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:

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Increases: (Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (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 Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (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 were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 2,433,574	\$ 1,878,356	\$ 1,435,289

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$1,506,750 to the TPAF for pension contributions, \$395,819 for post-retirement benefits on behalf of the School, and \$675 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$311,881 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.

Components of Net Pension Liability - At June 30, 2023, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2023, the District recognized pension expense of \$502,029 and revenue of \$502,029 for support 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:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 21,906,967	\$ 18,653,933	\$ 15,968,395
State's Share of the Net Pension Liability	<u>\$ 60,591,896,759</u>	<u>\$ 51,676,587,303</u>	<u>\$ 44,166,559,329</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 10. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$3,850 and the District's employer contribution, recognized in pension expense, was \$2,100. There were no forfeitures during the fiscal year.

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

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

General Information about the OPEB Plan - Continued

The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

State Health Benefit State Retired Employees Plan:

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 prefund, 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>.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

Special Funding Situation

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School District was \$17,033,193. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03363%. The total OPEB liability for the School District measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 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:

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

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.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate used to measure the total OPEB liability 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.

Changes in the Total OPEB Liability

State of New Jersey	<u>Total OPEB Liability</u>
Balance as of June 30, 2021 Measurement Date	\$ 60,007,650,971
Changes for the year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Changes of Benefit Terms	0
Differences between Expected and Actual	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Benefit Payments	(1,329,476,059)
Contributions from Members	42,650,252
Net Changes	(9,361,188,004)
Balance as of June 30, 2022 Measurement Date	\$ 50,646,462,967

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2022		
At 1.00% Decrease 2.54%	At Discount Rate 3.54%	At 1.00% Increase 4.54%
\$ 59,529,589,697	50,646,462,966	43,527,080,995

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

<u>June 30, 2022</u>		
	Healthcare Cost Trend Rate	
1.00% Decrease		1.00% Increase
\$ 41,862,397,291	50,646,462,966	62,184,866,635

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$1,031,198. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 3,041,101	\$ (5,200,431)
Changes of Assumptions	2,948,014	(5,797,168)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	2,352,501	
Contributions Subsequent to the Measurement Date		
Total	\$ 8,341,616	\$ (10,997,599)

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

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

Measurement Period Ending June 30,	OPEB
2023	\$ 2,255,389
2024	2,255,389
2025	2,255,389
2026	2,351,531
2027	2,595,133
Thereafter	7,626,384
Total	\$ 19,339,215

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 12 - COMPENSATED ABSENCES

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

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

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

As of June 30, 2023, the estimated liability for compensated absences in the Governmental Activities was \$300,746 of which \$58,833 is due within one year.

NOTE 13 - DEFERRED COMPENSATION

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

Lincoln Investments

Brighthouse

MetLife

NOTE 14 - RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$	\$19,773	\$	\$27,110	\$157,541
2021-2022		9,182			164,878
2020-2021		20,909		13,664	155,696

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 15 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2023.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$449,183	
Special Revenue Fund		\$447,401
Food Service Fund		
Hawk Latchkey Fund		1,782
Debt Service Fund		
	<u>\$449,183</u>	<u>\$449,183</u>

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

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

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

NOTE 16 - CONTINGENT LIABILITIES

GRANT PROGRAM

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

LITIGATION

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

NOTE 17 - TAX ABATEMENTS

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 18 - CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$1,022,988.

NOTE 19 - DEFICIT FUND BALANCES

The District has a deficit in unassigned fund balances of \$(276,461) in the General Fund and \$(74,301) 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 delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(128,141) in the General Fund is less than the last two state aid payments and the Special Revenue deficit of \$(74,301) is equal to the last state aid payments.

NOTE 20 - FUND BALANCE

NONSPENDABLE

As stated in Note 1, the non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no non-spendable fund balances of the School district as of June 30, 2023.

RESTRICTED

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

General Fund:

Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$1,022,988; \$468,812 has been restricted and designated for utilization in the 2023-2024 budget and \$554,176 will be budgeted in the 2024-2025 budget.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 20 - FUND BALANCE – (Continued)

Capital Reserve Account: As of June 30, 2023, the balance in the capital reserve account is \$852,142, of which none has been appropriated in the 2023-2024 budget. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2023, the balance in the maintenance reserve account is \$338,658. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Emergency Reserve Account: As of June 30, 2023, the balance in the emergency reserve was \$250,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

Tuition Reserve Account – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the District has a restricted fund balance in the amount of \$70,000 in a legal reserve for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective year and \$70,000 of the balance has been appropriated in the 2023-2024 budget.

COMMITTED

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

Other Purposes: As of June 30, 2023, the School District had \$187,159 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

ASSIGNED

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

Debt Service Fund:

The Debt Service Fund balance as of June 30, 2023 was \$0.

For Subsequent Year's Expenditures: The School District has appropriated and included, as an anticipated revenue for the fiscal year ending June 30, 2024, \$226,870 of unassigned general fund balance and \$70,000 of the Tuition Reserve fund balance at June 30, 2023.

UNASSIGNED

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

General Fund:

As of June 30, 2023, the deficit in unassigned fund balance of the general fund was \$(276,461).

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 21 - RECEIVABLES

Receivables at June 30, 2023 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

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

Receivables:	General Fund	Special Revenue Fund	Debt Service Fund	Enterprise Funds
Governmental	\$ 106,285	\$ 714,062		\$ 11,636
Other				3,039
Totals	<u>\$ 106,285</u>	<u>\$ 714,062</u>		<u>\$ 14,675</u>

NOTE 22 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2023 through December 1, 2023, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

EXHIBIT C-1
(1)**LAWRENCE TOWNSHIP BOARD OF EDUCATION**
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,471,595	\$	\$ 2,471,595	\$ 2,471,595	\$
Tuition from Other LEA's				24,812	24,812
Unrestricted Miscellaneous Revenues	20,000		20,000	1,722	(18,278)
Interest Earned				7,330	7,330
Interest Earned on Maintenance Reserve	50		50	50	
Interest Earned on Capital Reserve Funds	225		225	225	
Total - Local Sources	2,491,870		2,491,870	2,505,734	13,864
State Sources:					
Equalization Aid	4,808,294		4,808,294	4,808,294	
School Choice Aid	438,960		438,960	438,960	
Categorical Transportation Aid	87,111		87,111	87,111	
Categorical Special Education Aid	372,413		372,413	372,413	
Categorical Security Aid	160,344		160,344	160,344	
Extraordinary Aid				41,941	41,941
Non-Public Transportation Aid				4,680	4,680
On-Behalf TPAF Pension Contrib (Non-budgeted)				1,506,750	1,506,750
On-behalf Post-Retirement Medical Contribution				395,819	395,819
On-behalf Long-term Disability Contribution				675	675
Reimbursed TPAF Social Security Contributions (Non-budgeted)				311,881	311,881
Total - State Sources	5,867,122		5,867,122	8,128,868	2,261,746
Federal Sources:					
Medicaid Reimbursements	22,986		22,986	36,888	13,902
	22,986		22,986	36,888	13,902
TOTAL REVENUES	8,381,978		8,381,978	10,671,490	2,289,512
EXPENDITURES:					
Current Expense:					
Salaries of Teachers:					
Pre School Salaries of Teachers	\$	\$	\$	\$	\$
Kindergarten	257,558	32,663	290,221	290,221	
Grades 1-5	1,127,712	(72,522)	1,055,190	1,034,081	21,109
Grades 6-8	745,512	(47,276)	698,236	698,236	
Regular Programs - Home Instruction:					
Salaries of Teachers	2,500		2,500	1,463	1,037
Purchased Professional-Educational Services	5,000		5,000	232	4,768
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	28,026	36,309	64,335	63,201	1,134
Purchased Professional-Educational Services		305	305	305	
Other Purchased Services	93,656	16,112	109,768	101,137	8,631
General Supplies	103,650	(6,894)	96,756	83,664	13,092
Textbooks	17,951	(12,269)	5,682	5,678	4
Other Objects	1,500	3,847	5,347	3,710	1,637
Total Regular Programs - Instruction	\$ 2,383,065	\$ (49,725)	\$ 2,333,340	\$ 2,281,928	\$ 51,412

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:					
Special Education - Learning/language Disabilities					
Salaries of Teachers	\$ 293,728	\$ 710	\$ 294,438	\$ 288,684	\$ 5,754
Total Learning/language Disabilities	293,728	710	294,438	288,684	5,754
Resource Room/Resource Center					
Salaries of Teachers	142,764	(21,302)	121,462	120,752	710
Other Salaries for Instruction	376,208	78,849	455,057	429,361	25,696
General Supplies		500	500	284	216
Total Resource Room/Resource Center	518,972	58,047	577,019	550,397	26,622
Preschool Disabilities					
Salaries of Teachers					
Other Salaries for Instruction					
Total Preschool Disabilities-Full Time					
Total Special Education - Instruction	812,700	58,757	871,457	839,081	32,376
Basic Skills/Remedial - Instruction					
Salaries of Teachers					
Total Basic Skills/Remedial - Instruction					
Bilingual Education					
Salaries of Teachers	28,908	34,203	63,111	63,110	1
Total Bilingual Education	28,908	34,203	63,111	63,110	1
School Sponsored Co-curricular Activities - Instruction					
Salaries of Teachers	18,000	(750)	17,250	13,640	3,610
Purchased Services	2,500	(175)	2,325		2,325
Supplies and Materials	1,500	925	2,425	1,922	503
Total School Sponsored Co-curr. Act. - Instr.	22,000		22,000	15,562	6,438
School Sponsored Athletics - Athletics					
Salaries of Teachers	29,000		29,000	26,128	2,872
Other Purchased Services	2,500		2,500	1,640	860
Supplies and Materials	7,250	(408)	6,842	6,410	432
Total School Sponsored Athletics - Instruction	38,750	(408)	38,342	34,178	4,164
Total Instruction	3,285,423	42,827	3,328,250	3,233,859	94,391
Undistributed Expenditures:					
Instruction					
Tuition to Other LEA's Within State-Regular	408,847	83,835	492,682	492,682	
Tuition to Other LEA's Within State-Special	129,517	11,165	140,682	140,682	
Tuition to County Voc. School Dist-Regular	89,185	(9,044)	80,141	80,141	
Tuition to County Voc. School Dist-Special	34,500	4,480	38,980	38,980	
Tuition - CSSD & Regular Day Schools	185,872	(185,872)			
Tuition to Priv Sch for the Disabled W/I State	170,478	86,629	257,107	256,979	128
Tuition - State Facilities		40,270	40,270	40,270	
Tuition - Other	40,270	(29,410)	10,860	10,860	
Total Instruction	1,058,669	2,053	1,060,722	1,060,594	128
Attendance and Social Work Services:					
Salaries	35,595		35,595	26,088	9,507
Total Attendance and Social Work Services	35,595		35,595	26,088	9,507
Health Services:					
Salaries	98,775	(7,070)	91,705	69,915	21,790
Purch Professional/Technical Services	1,500	4,890	6,390	5,640	750
Other Purchase Services	150		150		150
Supplies and Materials	8,600		8,600	2,771	5,829
Total Health Services	\$ 109,025	\$ (2,180)	\$ 106,845	\$ 78,326	\$ 28,519

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Speech, OT, PT and Related Services:					
Salaries	\$ 72,507	\$ 2,180	\$ 74,687	\$ 74,577	\$ 110
Purchased Professional/Educational Services	18,800	1,400	20,200	7,890	12,310
Supplies and Materials	1,500	(1,400)	100	23	77
Other Objects	900		900	324	576
Total Speech, OT, PT and Related Services	93,707	2,180	95,887	82,814	13,073
Other Support Services-Students-Extra Services:					
Salaries	111,775	42,809	154,584	119,053	35,531
Purchased Professional/Educational Services	201,975	(119,809)	82,166	26,040	56,126
Total Other Support Serv-Students-Extra Services	313,750	(77,000)	236,750	145,093	91,657
Guidance					
Salaries of Other Professional Staff					
Total Undistributed Services Guidance					
Other Support Services-Students-Child Study Teams:					
Salaries of Other Professional Staff	166,063	(4,817)	161,246	123,386	37,860
Salaries of Secretarial and Clerical Assistants	47,331		47,331	47,329	2
Purchased Professional - Educational Services	14,000	10,150	24,150	22,170	1,980
Other Purchased Prof. and Tech. Services	5,000	(5,000)			
Other Purchased Services	7,500	(1,101)	6,399	6,399	
Supplies and Materials	5,000	459	5,459	3,603	1,856
Other Objects	550	768	1,318	1,318	
Total Other Support Serv-Child Study Teams	245,444	459	245,903	204,205	41,698
Improvement of Instruction Services:					
Salaries of Supervisor of Instructions		2,078	2,078	2,078	
Salaries of Other Professional Staff	49,563	(3,511)	46,052	43,885	2,167
Total Improvement of Instruction Services	49,563	(1,433)	48,130	45,963	2,167
Instructional Staff Training Services:					
Salaries of Other Professional Staff	45,563	(3,836)	41,727	41,726	1
Purchased Professional/Educational Services	1,000	2,150	3,150	3,000	150
Other Purchased Services	1,500	6,119	7,619	7,619	
Other Objects	1,700		1,700	1,679	21
Total Instructional Staff Training Services	\$ 49,763	\$ 4,433	\$ 54,196	\$ 54,024	\$ 172

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
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 Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Support Services - General Administration:					
Salaries	\$ 76,264	\$	\$ 76,264	\$ 76,264	\$
Legal Fees	10,000	14,499	24,499	20,583	3,916
Audit Fees	24,000	1,150	25,150	25,150	
Other Purchased Prof Services	1,600	2,500	4,100	2,568	1,532
Purchased Technical Services	5,500	873	6,373	6,373	
Communications/Telephone	43,800	(33,245)	10,555	9,195	1,360
Misc. Purch Serv (400-500) [Other than 530 & 585]	14,990	(873)	14,117	11,410	2,707
General Supplies	3,000	(1,740)	1,260	759	501
Miscellaneous Expenditures		7,481	7,481	7,306	175
BOE Other Purchased Services	4,500		4,500	4,049	451
Total Support Services - School Administration	183,654	(9,355)	174,299	163,657	10,642
Support Services - School Administration:					
Salaries of Principals/Asst. Principals/Prog Dir	76,264		76,264	76,263	1
Salaries of Secretarial/Clerical Assistants	107,628	(2,189)	105,439	105,439	
Other Salaries	9,116	33,787	42,903	42,903	
Purchased Professional and Technical Services	12,000	3,184	15,184	15,184	
Other Purchased Services	6,000	(4,172)	1,828	1,828	
Supplies and Materials	11,000	(5,307)	5,693	5,693	
Other Objects	4,000	(665)	3,335	3,335	
Total Support Services - School Administration	226,008	24,638	250,646	250,645	1
Central Services:					
Salaries	117,436	(4,581)	112,855	112,173	682
Purchased Technical Services	20,500	308	20,808	20,808	
Misc. Purchased Services	2,650	(1,473)	1,177	789	388
Supplies and Maintenance	1,400	1,200	2,600	2,128	472
Misc. Expenditures	1,250	1,563	2,813	2,813	
Total Central Services	143,236	(2,983)	140,253	138,711	1,542
Administrative Information Technologys:					
Purchased Technical Services	27,000	13,522	40,522	35,666	4,856
Total Admin.	27,000	13,522	40,522	35,666	4,856
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	87,100	(2,139)	84,961	81,811	3,150
General Supplies	2,500		2,500		2,500
Total Required Maintenance for School Facilities	89,600	(2,139)	87,461	81,811	5,650
Other Operation and Maintenance of Plant Services:					
Salaries	159,845	4,124	163,969	149,156	14,813
Purchased Professional/Technical Services	30,000	(24,485)	5,515	1,733	3,782
Cleaning, Repair and Maintenance Services	50,900	26,500	77,400	67,394	10,006
Insurance	54,778	(11,610)	43,168	43,168	
Miscellaneous Purchased Services	4,000	500	4,500	4,358	142
General Supplies	43,000	15,210	58,210	47,052	11,158
Energy (Natural Gas)	30,000	10,250	40,250	19,633	20,617
Energy (Electricity)	108,000	8,400	116,400	96,018	20,382
Other Objects	4,225		4,225	1,237	2,988
Total Other Operation and Maint. of Plant Services	484,748	28,889	513,637	429,749	83,888
Total Operation and Maintenance of Plant Services	\$ 574,348	\$ 26,750	\$ 601,098	\$ 511,560	\$ 89,538

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
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 Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$	\$ 11,300	\$ 11,300	\$ 11,106	\$ 194
Sal. For Pupil Trans (Btw Home & School) - Reg	38,918	(13,919)	24,999	24,999	
Other Purchased Professional and Technical Serv	1,400	1,513	2,913	678	2,235
Contracted Services - Aid in Lieu Payments - Non-Pub.	13,000	1,308	14,308	14,308	
Contracted Services - Aid in Lieu Payments - Charter Sch.	3,000	(956)	2,044	2,044	
Contracted Services - Aid in Lieu Payments - Choice Sch	12,000	(1,780)	10,220	10,220	
Contracted Services - (Bet. Home and Sch.) - Vendors	581,077	32,708	613,785	569,177	44,608
Contract Serv (Other than Btw Home & School) Vendors	30,000	(15,000)	15,000	8,745	6,255
Contracted Services - ESC & CTSA	350,000	(44,750)	305,250	191,205	114,045
Miscellaneous Purchased Services - Transportation		10,184	10,184	10,184	
General Supplies	300	997	1,297	1,297	
Total Student Transportation Services	1,029,695	(18,395)	1,011,300	843,963	167,337
Unallocated Benefits					
Social Security Contributions	110,000	18,192	128,192	128,142	50
Other Retirement Contributions - PERS	172,048	(15,091)	156,957	156,957	
Unemployment Compensation	10,000		10,000		10,000
Workmen's Compensation	44,182	3,799	47,981	47,981	
Health Benefits	1,131,653	(105,723)	1,025,930	992,795	33,135
Tuition Reimbursement	8,000	(8,000)			
Other Employee Benefits	9,260	105,723	114,983	114,983	
Total Unallocated Benefits	1,485,143	(1,100)	1,484,043	1,440,858	43,185
On-Behalf TPAF Pension Contrib (Non-budgeted)				1,506,750	(1,506,750)
On-Behalf TPAF Post Retirem. Medical Contrib.(Non-budgeted)				395,819	(395,819)
On-behalf Long-term Disability Contribution				675	(675)
Reimbursed TPAF Soc. Sec. Contrib. (Non-budgeted)				311,881	(311,881)
Total Undistributed Expenditures	5,624,600	(38,411)	5,586,189	7,297,292	(1,711,103)
Interest Earned on Maintenance Reserve	50		50		50
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 8,910,073	\$ 4,416	\$ 8,914,489	\$ 10,531,151	\$ (1,616,662)

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
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 Favorable (Unfavorable)</u>
CAPITAL OUTLAY:					
Undistributed Expenditures:					
Equipment					
Instruction	\$	\$	\$	\$	\$
Required Maintenance for School Facilities					
Custodial Services					
Total Undistributed Expenditures					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		63,271	63,271	46,552	16,719
Construction Services	100,000	(59,000)	41,000		41,000
Infrastructure		55,000	55,000	4,900	50,100
Assessment for Debt Service on SDA Funding	40,020		40,020	40,020	
Total Facilities Acquisition and Construction Services	140,020	59,271	199,291	91,472	107,819
Interest Deposit to Capital Res	225		225		225
TOTAL CAPITAL OUTLAY	140,245	59,271	199,516	91,472	108,044
TOTAL EXPENDITURES	9,050,318	63,687	9,114,005	10,622,623	(1,508,618)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(668,340)	(63,687)	(732,027)	48,867	780,894
Transfer to Charter School	(20,698)		(20,698)	(20,698)	
Transfer to Preschool Program					
Total Other Financing Sources	(20,698)		(20,698)	(20,698)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(689,038)	(63,687)	(752,725)	28,169	780,894
Fund Balances, July 1	3,373,810		3,373,810	3,373,810	
Fund Balances, June 30	\$ 2,684,772	\$ (63,687)	\$ 2,621,085	\$ 3,401,979	\$ 780,894
<u>RECAPITULATION :</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 852,142	
Maintenance Reserve				338,658	
Emergency Reserve				250,000	
Excess Surplus				554,176	
Excess Surplus - Designated for Subsequent Year's Expenditures				468,812	
Unemployment Compensation				157,541	
Assigned Fund Balance:					
Encumbrances				187,159	
Tuition Reserve				70,000	
Designated for Subsequent Year's Expenditures				226,870	
Unassigned Fund Balance				296,621	
				3,401,979	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(573,082)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,828,897	

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources	\$	\$ 29,597	\$ 29,597	\$ 29,092	\$ 505
Federal Sources	439,232	2,581,423	3,020,655	1,431,820	1,588,835
State Sources	755,102	8,318	763,420	763,420	
Total Revenues	<u>1,194,334</u>	<u>2,619,338</u>	<u>3,813,672</u>	<u>2,224,332</u>	<u>1,589,340</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	545,463	378,318	923,781	531,203	392,578
Other Salaries for Instruction	182,637	278,001	460,638	601,038	(140,400)
Other Purchased Services	142,925	25,857	168,782	170,393	(1,611)
General Supplies	21,274	80,099	101,373	77,372	24,001
Total Instruction	<u>892,299</u>	<u>762,275</u>	<u>1,654,574</u>	<u>1,380,006</u>	<u>274,568</u>
Support Services					
Salaries of Supervisors of Instruction	20,782		20,782	20,782	
Salaries of Other Professional Staff		445,986	445,986	151,412	294,574
Salaries of Family/Parent Liaison & Community Parent	14,421		14,421	14,421	
Salaries of Master Teacher	77,507		77,507	77,507	
Employee Benefits	169,325	495,571	664,896	498,377	166,519
Purchased Professional Technical Services		5,000	5,000	5,000	
Other Purchased Professional Services	5,000	(2,765)	2,235	2,235	
Other Purchased Services		125,508	125,508	21,508	104,000
Transportation - Bet Home & School	10,000		10,000	10,000	
Transportation - Other than Bet Home & Schl	5,000	(2,278)	2,722	2,722	
Communications/Telephone		12,140	12,140	12,140	
Materials and Supplies		9,000	9,000	1,326	7,674
Scholarships Awarded		1,500	1,500	1,500	
Student Activities		17,401	17,401	17,401	
Total Support Services	<u>302,035</u>	<u>1,107,063</u>	<u>1,409,098</u>	<u>836,331</u>	<u>572,767</u>
Facilities Acquisition and Construction Services:					
Building		750,000	750,000		750,000
Total Facilities Acquisition and Constr. Serv.		<u>750,000</u>	<u>750,000</u>		<u>750,000</u>
Total Expenditures	<u>1,194,334</u>	<u>2,619,338</u>	<u>3,813,672</u>	<u>2,216,337</u>	<u>1,597,335</u>
Other Financing Sources (Uses)					
Total Outflows	\$ 1,194,334	\$ 2,619,338	\$ 3,813,672	\$ 2,216,337	\$ 1,597,335
Preschool Inclusion					
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)				7,995	\$ 7,995
Fund Balance, July 1				30,312	
Fund Balance, June 30				<u>\$ 38,307</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 17,620	
Student Activities				20,687	
Total Fund Balance				<u>\$ 38,307</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGET-TO-GAAP RECONCILIATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<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] \$ 10,671,490	[E-1] \$ 2,224,332
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		
Current Year		
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.	605,011	72,906
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(573,082)	(74,301)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>10,703,419</u>	[B-2] \$ <u>2,222,937</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 10,622,623	[E-1] \$ 2,216,337
Differences - budget to GAAP		
Encumbrances for supplies and equipment or not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ <u>10,622,623</u>	[B-2] \$ <u>2,216,337</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.012881%	0.011939%	0.009534%	0.998083%	0.814060%	0.860831%	0.806251%	0.007100%
District's Proportionate Share of the Net Pension Liability \$	1,525,943	\$ 1,946,899	\$ 1,717,961	\$ 1,965,175	\$ 1,895,002	\$ 2,549,535	\$ 1,809,873	\$ 1,329,374
District's Covered-Employee Payroll \$	1,043,926	\$ 976,241	\$ 929,171	\$ 761,949	\$ 671,710	\$ 649,003	\$ 535,649	\$ 565,567
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	146.17%	199.43%	184.89%	257.91%	282.12%	392.84%	337.88%	235.05%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	48.72%

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

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

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

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

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

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

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

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

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

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

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

Notes to Schedule:

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	NCLB / ESEA			CRRSA Consolidated			Pre-School	Cares Act	Scholarship Fund	Student Activities Fund	Sub-Total Per E-1(2)	Totals	
	Title I Part A	Title II	Title IV	CRRSA ESSER II	Learning Accel.	Mental Health						2023	2022
REVENUES:													
Local Sources	\$	\$	\$	\$	\$	\$	\$	\$	6,806	20,090	2,196	29,092	10,789
Federal Sources	280,006	30,483	24,442	508,347	49,516	33,564		12,775			492,687	1,431,820	845,747
State Sources							756,760				6,660	763,420	730,628
Total Revenues	280,006	30,483	24,442	508,347	49,516	33,564	756,760	12,775	6,806	20,090	501,543	2,224,332	1,587,164
EXPENDITURES:													
Instruction:													
Salaries of Teachers	182,133	20,000				23,842	296,778	8,450				531,203	710,051
Other Salaries for Instruction				229,916	35,000		151,880				184,242	601,038	159,465
Other Purchased Services							1,611				168,782	170,393	44,006
General Supplies	4,985	283	24,442	30,241	516	731	9,499	15			6,660	77,372	197,988
Total Instruction	187,118	20,283	24,442	260,157	35,516	24,573	459,768	8,465			359,684	1,380,006	1,111,510
Support Services:													
Salaries													
Salaries of Supervisors of Instruction							20,782					20,782	20,128
Salaries of Other Professional Staff				111,575							39,837	151,412	
Salaries of Family/Parent Liaison & Community Parent							14,421					14,421	14,048
Salaries of Master Teacher							77,507					77,507	74,549
Employee Benefits	92,888	10,200		112,303	14,000	8,991	169,325	4,310			86,360	498,377	323,916
Purchased Professional Tech. Services				5,000								5,000	5,525
Other Purchased Professional Services							2,235					2,235	13,500
Other Purchased Services				19,312							2,196	21,508	
Transportation - Bet Home & School							10,000					10,000	7,449
Transportation - Other than Bet Home & Schl							2,722					2,722	
Communications/Telephone											12,140	12,140	
Materials and Supplies											1,326	1,326	26,341
Scholarships Awarded									1,500			1,500	3,000
Student Activities										17,401		17,401	6,857
Total Support Services	92,888	10,200		248,190	14,000	8,991	296,992	4,310	1,500	17,401	141,859	836,331	495,313
Facilities Acquisition/Construction:													
Non-Instructional Equipment													9,411
Total Facilities Acquisition/Construction													9,411
Total Expenditures	\$ 280,006	\$ 30,483	\$ 24,442	\$ 508,347	\$ 49,516	\$ 33,564	\$ 756,760	\$ 12,775	\$ 1,500	\$ 17,401	\$ 501,543	\$ 2,216,337	\$ 1,616,234
Preschool Inclusion													
Excess (Deficiency) of Revenues									5,306	2,689		7,995	(3,032)
Over (Under) Expenditures													
Fund Balance, July 1									12,314	17,998		30,312	33,344
Fund Balance June 30	\$	\$	\$	\$	\$	\$	\$	\$	17,620	20,687	\$	38,307	30,312

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	IDEA				ARP- Evidence Based Beyond	Climate Awareness Education	Safety Grant	Totals 2023
	Basic Flow- Through	Pre- School	REAP	ARP- ESSER Grant				
REVENUES:								
Local sources				\$	\$	\$	\$ 2,196	\$ 2,196
Federal Sources	\$ 163,701	\$ 5,081	\$ 12,140	291,737	20,028			492,687
State Sources						6,660		6,660
Total Revenues	163,701	5,081	12,140	291,737	20,028	6,660	2,196	501,543
EXPENDITURES:								
Instruction:								
Other Salaries for Instruction				164,214	20,028			184,242
Other Purchased Services	163,701	5,081						168,782
General Supplies						6,660		6,660
Total Instruction	163,701	5,081		164,214	20,028	6,660		359,684
Support Services:								
Salaries								
Salaries of Other Profes. Staff				39,837				39,837
Employee Benefits				86,360				86,360
Other Purchased Services							2,196	2,196
Communications/Telephone			12,140					12,140
Supplies and Materials				1,326				1,326
Total Support Services			12,140	127,523			2,196	141,859
Facilities Acquisition/Construction:								
Instructional Equipment								
Total Facilities Acquisition/Construction								
Total Expenditures	\$ 163,701	\$ 5,081	\$ 12,140	\$ 291,737	\$ 20,028	\$ 6,660	\$ 2,196	\$ 501,543

LAWRENCE TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 296,778	\$ 296,778	\$
Other Salaries for Instruction	151,880	151,880	
Other Purchased Services	1,611	1,611	
Supplies	9,499	9,499	
Total Instruction	<u>459,768</u>	<u>459,768</u>	
Support:			
Salaries Supervisors Instr	20,782	20,782	
Salary Family/Parent Liaison	14,421	14,421	
Salaries - Masters Teachers	77,507	77,507	
Personal Services - Employee Benefits	169,325	169,325	
Other Purchases Professional Services	2,235	2,235	
Transportation - Bet Home & School	10,000	10,000	
Transportation - Other than Bet Home & Schl	2,722	2,722	
Total Support Services	<u>296,992</u>	<u>296,992</u>	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services:			
Total Expenditures	<u>\$ 756,760</u>	<u>\$ 756,760</u>	<u>\$</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2021-22 Preschool Education Aid Allocation	\$ 743,008	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2022)	13,752	(2)
Expenditure Adjustment		
Add: Budgeted Transfer from the General Fund 2022-23		(3)
Total Preschool Education Aid Funds Available for 2022-23 Budget	756,760	(4)
Less: 2022-23 Budgeted Preschool Education Aid (including prior year budget carryover)	(756,760)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023		(6)
Add: June 30, 2023 Unexpended Preschool Education Aid		(7)
Less: 2022-23 Commissioner-approved Transfer to the General Fund		(8)
2022-23 Carryover - Preschool Education Aid/Preschool Programs	\$	(9)
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2023-24	<u>\$ 13,752</u>	(10)

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINED SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023 AND 2022

	Food Service Fund	Hawk Latchkey	Total	
			2023	2022
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 237,460	\$ 20,545	\$ 258,005	\$ 306,041
Accounts Receivable:				
State	290		290	446
Federal	11,346		11,346	43,292
Interfund Receivable	1,999		1,999	57,249
Other	2,139		2,139	
Inventories	2,443		2,443	2,683
Total Current Assets	255,677	20,545	276,222	409,711
Fixed Assets:				
Equipment	126,758		126,758	122,868
Accumulated Depreciation	(112,987)		(112,987)	(110,023)
Total Fixed Assets	13,771		13,771	12,845
Total Assets	269,448	20,545	289,993	422,556
LIABILITIES:				
Current Liabilities:				
Accounts Payable	25,864		25,864	34,076
Interfund Payable		1,782	1,782	1,782
Prepaid Summer Camp		1,340	1,340	1,340
Prepaid Latchkey		7,997	7,997	7,997
Unearned Revenue	6,069		6,069	499
Total Current Liabilities	31,933	11,119	43,052	45,694
Total Liabilities	31,933	11,119	43,052	45,694
Deferred Inflow of Resources				
NET POSITION:				
Investment in Fixed Assets	13,771		13,771	12,845
Unrestricted	223,744	9,426	233,170	364,017
Total Net Position	\$ 237,515	\$ 9,426	\$ 246,941	\$ 376,862

LAWRENCE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Fund	Hawk Latchkey	Total 2023	2022
OPERATING REVENUES:				
Local Sources:				
Food Sales Reimbursable Programs	\$ 65,727	\$	\$ 65,727	\$
Food Sales Non-Reimbursable Programs	64,300		64,300	71,776
Total Operating Revenue	130,027		130,027	71,776
OPERATING EXPENSES:				
Salaries and Benefits	154,060		154,060	135,123
Supplies and Materials	12,011		12,011	15,884
Cost of Sales	157,587		157,587	144,792
Cost of Sales - Non Program Food	5,446		5,446	
Repairs and Maintenance	2,711		2,711	9,830
Management Fee	39,061		39,061	36,000
Miscellaneous	60,830		60,830	10,543
Utilities	33,375		33,375	22,975
Depreciation	2,964		2,964	3,183
Total Operating Expenses	468,045		468,045	378,330
Operating Income/(Loss)	(338,018)		(338,018)	(306,554)
NON-OPERATING REVENUES:				
State Sources:				
School Breakfast Program (State Share)	562		562	
National School Lunch Program (State Share)	4,069		4,069	5,695
Federal Sources:				
School Breakfast Program	40,887		40,887	123,295
National School Lunch Program	116,679		116,679	242,536
P-EBT Administrative Cost Reimbursement	653		653	1,242
Supply Chain Assistance Funding	21,832		21,832	13,998
Food Distribution Program	23,380		23,380	16,530
Interest		35	35	22
Total Non-Operating Revenues	208,062	35	208,097	403,318
Change in Net Assets Before Operating Transfers				
In/(out)	(129,956)	35	(129,921)	96,764
Net (Loss) / Income	(129,956)	35	(129,921)	96,764
Net Position - July 1	367,471	9,391	376,862	280,098
Net Position - June 30	\$ 237,515	\$ 9,426	\$ 246,941	\$ 376,862

LAWRENCE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2023

	<u>Food Service Fund</u>	<u>Hawk Latchkey</u>	<u>Total</u>	
			<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 130,027	\$	\$ 130,027	\$ 71,776
Payments to Employees	(154,060)		(154,060)	(135,123)
Payments to Suppliers	(167,380)		(167,380)	(234,742)
Payments to Others	(60,830)		(60,830)	(10,543)
Net Cash Provided by (Used for) Operating Activities	(252,243)		(252,243)	(308,632)
Cash Flows from Non-capital Financing Activities				
State Sources	4,631		4,631	5,695
Federal Sources	203,431		203,431	397,601
Interfund Transfer				
Net Cash Provided by (Used for) Non-capital Financing Activities	208,062		208,062	403,296
Cash Flows from Capital Financing Activities				
Purchases of Capital Assets				
Net Cash Provided by (Used for) Capital Financing				
Cash Flows from Investing Activities				
Interest and Dividends		35	35	22
Net Cash Provided by (Used for) Investing Activities		35	35	22
Net Increase/(Decrease) in Cash and Cash Equivalents	(48,071)	35	(48,036)	94,686
Balances - Beginning of Year	285,531	20,510	306,041	211,355
Balances - End of Year	\$ 237,460	\$ 20,545	\$ 258,005	\$ 306,041
Operating Income/(Loss)	\$ (338,018)	\$	\$ (338,018)	\$ (306,554)
Adjustments to Reconcile Operating Income/(Loss)				
to Cash Used by Operating Activities:				
Depreciation	2,964		2,964	3,183
Federal Commodities				
Change in Assets and Liabilities:				
Decrease/(Increase) in Accounts Receivable	29,963		29,963	(23,600)
Decrease/(Increase) in Interfund Receivable	55,250		55,250	-
Decrease/(Increase) in Other Program Fees Receivable				
Decrease/(Increase) in Inventory	240		240	1,406
Increase/(Decrease) in Outflow of Resources				
Increase/(Decrease) in Accounts Payable	(8,212)		(8,212)	19,973
Increase/(Decrease) in Interfund Payable	-		-	-
Increase/(Decrease) in Pension Accounts Payable				
Increase/(Decrease) in Cash Overdraft				
Increase/(Decrease) in Prepaid Latchkey/Summer				-
Increase/(Decrease) in Unearned Revenue	5,570		5,570	(3,040)
Increase/(Decrease) in Inflow of Resources				
Increase/(Decrease) in Net Pension Liability				
Total Adjustments	85,775		85,775	(2,078)
Net Cash Used by Operating Activities	\$ (252,243)	\$	\$ (252,243)	\$ (308,632)

EXHIBIT G-4

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Internal Service Fund</u>
ASSETS	
Current Assets:	
Cash and Cash equivalents	\$ 533,876
Accounts Receivable	900
	<hr/>
Total current assets	534,776
	<hr/>
Fixed Assets:	
Equipment	51,387
Accumulated Depreciation	(10,862)
	<hr/>
Total Fixed Assets	40,525
	<hr/>
Total Assets	575,301
	<hr/>
LIABILITIES	
Current Liabilities	
Interfund Payable	
	<hr/>
Total Current Liabilities	
	<hr/>
NET POSITION:	
Invested in Capital Assets Net of Related Debt	40,525
Unrestricted:	534,776
	<hr/>
Total Net Position	\$ 575,301
	<hr/> <hr/>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
JUNE 30, 2023

	<u>Child Study Team</u>	<u>Shared Business Services</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services:			
Business Services	\$ 145,457	\$ 76,500	\$ 76,500
Child Study Team			145,457
	<u>145,457</u>	<u>76,500</u>	<u>221,957</u>
Total operating revenues	<u>145,457</u>	<u>76,500</u>	<u>221,957</u>
 OPERATING EXPENSES			
Salaries	192,667	124,843	317,510
Supplies and Materials	1,004	3,154	4,158
Depreciation		745	745
Other Purchased Servies		650	650
	<u>193,671</u>	<u>129,392</u>	<u>323,063</u>
Total Operating Expenses	<u>193,671</u>	<u>129,392</u>	<u>323,063</u>
 Operating income/(loss)	(48,214)	(52,892)	(101,106)
NET POSITION, JULY 1, 2022	<u>125,763</u>	<u>550,644</u>	<u>676,407</u>
NET POSITION JUNE 30, 2023	<u>\$ 77,549</u>	<u>\$ 497,752</u>	<u>\$ 575,301</u>

EXHIBIT G-6

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	<u>Internal Service Fund</u>
Cash Flow From Operating Activities	
Receipts from customers and Users	\$ 221,957
Payment to employees	(313,259)
Payment to other	(4,808)
	<hr/>
Net Cash provided (used) by operating activities	(96,110)
	<hr/>
Cash Flow From Financing Activities	
Purchase of Equipment	(41,270)
	<hr/>
Net cash provided by non-capital financing activities	(41,270)
	<hr/>
Net increase/(decrease) in cash and cash equivalents	
Cash and cash equivalents July 1	671,256
	<hr/>
Cash and cash equivalents June 30	\$ 533,876
	<hr/>
Operating Income/(Loss)	\$ (101,106)
Adjustments to Reconcile Operating Income/(Loss) to Cash Used by Operating Activities:	
Depreciation	745
Change in Assets and Liabilities:	
Decrease/(Increase) in Accounts Receivable	4,251
Increase/(Decrease) in Interfund Payable	
	<hr/>
Total Adjustments	4,996
	<hr/>
Net Cash Used by Operating Activities	\$ (96,110)
	<hr/>

LONG-TERM DEBT SCHEDULES

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate Range	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
			Date	Amount					
School Refunding Bonds Series 2007	12/27/07	\$ 2,345,000	3/1/23	\$ 50,000	3%-4.16%	\$ 50,000	\$	\$ 50,000	\$
Myron L Powell Elementary School Additions Series 2010	1/21/10	2,216,000	9/1/23 9/1/24	200,000 206,000	2.75% - 3.75%	596,000		190,000	406,000
						<u>\$ 646,000</u>	<u>\$</u>	<u>\$ 240,000</u>	<u>\$ 406,000</u>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 231,597	\$	\$ 231,597	\$ 231,597	\$
State Sources:					
Debt Service Aid Type II	29,135		29,135	29,135	
Total Revenues	<u>260,732</u>		<u>260,732</u>	<u>260,732</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	20,733		20,733	20,733	
Redemption of Principal	240,000		240,000	240,000	
Total Expenditures	<u>260,733</u>		<u>260,733</u>	<u>260,733</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1)		(1)	(1)	
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

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

	<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>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 5,077,440	\$ 5,139,584	\$ 5,232,199	\$ 5,263,369	\$ 5,980,113	\$ 6,107,505	\$ 4,866,225	\$ 4,942,943	\$ 5,248,212	\$ 5,287,574
Restricted	2,232,898	2,134,952	2,224,506	2,253,547	1,988,209	2,049,426	2,400,517	2,965,876	2,927,252	3,143,665
Unrestricted (Deficit)	(20,280)	(1,312,032)	(1,432,709)	(1,574,290)	(1,621,116)	(1,753,003)	(1,854,413)	(1,616,377)	(1,526,542)	(1,730,605)
Total Governmental Activities Net Position	<u>\$ 7,290,058</u>	<u>\$ 5,962,504</u>	<u>\$ 6,023,996</u>	<u>\$ 5,942,626</u>	<u>\$ 6,347,206</u>	<u>\$ 6,403,928</u>	<u>\$ 5,412,329</u>	<u>\$ 6,292,442</u>	<u>\$ 6,648,922</u>	<u>\$ 6,700,634</u>
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 84,947	\$ 77,955	\$ 30,197	\$ 26,729	\$ 13,924	\$ 11,408	\$ 8,890	\$ 16,028	\$ 12,845	\$ 13,771
Unrestricted	66,670	33,078	41,722	48,999	72,483	87,933	199,526	264,070	364,017	233,170
Total Business-Type Activities Net Position	<u>\$ 151,617</u>	<u>\$ 111,033</u>	<u>\$ 71,919</u>	<u>\$ 75,728</u>	<u>\$ 86,407</u>	<u>\$ 99,341</u>	<u>\$ 208,416</u>	<u>\$ 280,098</u>	<u>\$ 376,862</u>	<u>\$ 246,941</u>
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 5,162,387	\$ 5,217,539	\$ 5,262,396	\$ 5,290,098	\$ 5,994,037	\$ 6,118,913	\$ 4,875,115	\$ 4,958,971	\$ 5,261,057	\$ 5,301,345
Restricted	2,232,898	2,168,030	2,266,228	2,302,546	1,988,209	2,049,426	2,400,517	2,965,876	2,927,252	3,143,665
Unrestricted (Deficit)	46,390	(1,312,032)	(1,432,709)	(1,574,290)	(1,548,633)	(1,665,070)	(1,654,887)	(1,352,307)	(1,162,525)	(1,497,435)
Total District-Wide Net Position	<u>\$ 7,441,675</u>	<u>\$ 6,073,537</u>	<u>\$ 6,095,915</u>	<u>\$ 6,018,354</u>	<u>\$ 6,433,613</u>	<u>\$ 6,503,269</u>	<u>\$ 5,620,745</u>	<u>\$ 6,572,540</u>	<u>\$ 7,025,784</u>	<u>\$ 6,947,575</u>

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,567,778	2,484,080	2,315,227	2,491,312	2,487,054	2,740,806	3,372,100	3,827,099	3,700,266	3,889,241
Special Education	700,584	661,458	706,546	801,951	907,819	1,161,356	676,394	741,013	897,993	857,764
Other Special Instruction	100,026	263,007	81,742	46,438	40,560	28,765				
Other	58,426	55,654	34,745	37,200	42,064	43,374	73,544	49,301	122,553	112,850
Support Services										
Tuition	2,181,410	2,387,209	2,546,448	2,205,357	1,613,747	1,424,796	1,552,565	1,202,419	957,680	1,060,594
Student and Instruction Related Services	555,285	556,559	627,560	721,161	847,459	936,545	853,433	967,331	953,647	974,467
General Administrative Services	366,823	372,146	376,135	397,545	386,730	384,868	160,563	178,223	207,676	188,567
School Administrative Services	190,402	197,367	189,938	213,150	184,113	183,665	198,874	174,190	233,337	275,555
Central Services							197,621	186,760	166,286	138,711
Administrative Information Technology							19,286	20,714	37,616	35,666
Plant Operations and Maintenance	489,078	483,154	453,102	492,244	484,959	548,125	501,955	422,545	554,822	508,365
Pupil Transportation	683,056	652,393	644,708	646,848	723,359	894,508	769,872	773,697	917,396	843,963
Other Support Services	1,544,406	2,458,355	2,774,116	3,543,968	3,275,769	3,785,490	3,592,548	4,106,551	3,773,102	3,700,717
Transfer to Charter School					50,569	25,036				
Interest on long-term debt	119,107	109,215	99,053	88,489	77,320	67,050	87,808	82,309	69,507	57,770
Internal Service	69,115	72,748	75,939	170,747	123,952	159,879	498,202	479,985	455,773	323,063
Debt Service Assessment	40,020	40,020	40,020	40,020	40,020	40,020				
Amortization of Debt Issuance Cost										
Total Governmental Activities Expenses	9,665,516	10,793,365	10,965,279	11,896,430	11,285,494	12,424,283	12,554,765	13,212,137	13,047,654	12,967,293
Business-Type Activities										
Food Service	308,187	291,745	284,569	339,540	310,265	270,412	257,385	264,737	378,330	468,045
Child Care	28,077	34,802	36,451	33,418	32,506	57,203	37,089			
Total Business-Type Activities Expense	336,264	326,547	321,020	372,958	342,771	327,615	294,474	264,737	378,330	468,045
Total District Expenses	\$ 10,001,780	11,119,912	11,286,299	12,269,388	11,628,265	12,751,898	12,849,239	13,476,874	13,425,984	13,435,338
Program Revenues										
Governmental Activities										
Charges for Service	\$								481,282	242,047
Central and Other Support Services	106,000	106,000	106,000	181,000	184,000	184,000				
Operating Grants and Contributions	575,190	1,381,218	1,161,342	2,278,263	1,932,978	2,307,835	3,133,296	3,441,969	1,957,772	903,375
Total Governmental Activities Program Revenues	681,190	1,487,218	1,267,342	2,459,263	2,116,978	2,491,835	3,133,296	3,441,969	2,439,054	1,145,422
Business-Type Activities										
Charges for Services										
Food Service	74,078	74,255	75,170	121,625	131,374	100,675	94,507	64,526	71,776	130,027
Child Care	47,302	47,095	65,647	40,495	46,283	45,635	17,742			
Operating Grants and Contributions	243,324	221,855	198,932	196,732	185,870	193,961	237,136	271,824	403,296	208,062
Total Business-Type Activities Program Revenues	364,704	343,205	339,749	358,852	363,527	340,271	349,385	336,350	475,072	338,089
Total District Program Revenues	\$ 1,045,894	1,830,423	1,607,091	2,818,115	2,480,505	2,832,106	3,482,681	3,778,319	2,914,126	1,483,511
Net (Expense)/Revenue										
Governmental Activities	\$ (8,984,326)	(9,306,147)	(9,697,937)	(9,437,167)	(9,168,516)	(9,932,448)	(9,421,469)	(9,770,168)	(10,608,600)	(11,821,871)
Business-Type Activities	28,440	16,658	18,729	(14,106)	20,756	12,656	54,911	71,613	96,742	(129,956)
Total District-Wide Net Expense	\$ (8,955,886)	(9,289,489)	(9,679,208)	(9,451,273)	(9,147,760)	(9,919,792)	(9,366,558)	(9,698,555)	(10,511,858)	(11,951,827)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 1,927,691	2,157,571	2,204,384	2,204,384	2,248,472	2,283,372	2,329,039	2,375,620	2,423,132	2,471,595
Taxes Levied for Debt Service	287,122	150,749	148,639	141,813	132,582	285,232	275,228	283,562	277,243	231,597
Grants and Contributions	6,925,625	6,930,461	7,417,991	7,005,734	7,170,235	7,342,221	6,909,359	7,707,705	8,180,061	9,147,948
Tuition Received	24,241	9,629	8,689				51,921	37,657	92,779	24,812
Transportation Fees Received							2,856			
Investment Earnings	11,781	10,903	6,458	6,384	5,871	6,224				
Miscellaneous Income	10,991	19,812	11,720	15,231	19,728	63,536	64,078	76,118	17,707	18,329
Adjustment			(16,973)							
Adjustment to Fixed Assets		(51,923)	(21,479)		(3,791)	2,585	(1,325,381)			
Prior Year Adjustment							124,886			
Right-to-Use Lease Adjustment									(6,278)	
Transfers				(17,749)			(2,116)	(22,994)	(19,764)	(20,698)
Total Governmental Activities	9,187,451	9,227,202	9,759,429	9,355,797	9,573,097	9,983,170	8,429,870	10,457,668	10,964,880	11,873,583
Business-Type Activities										
Investment and Miscellaneous Earnings	181	225	221	166	209	278	96	69	22	35
Fixed Asset Adjustment			(58,994)		(10,286)		54,068			
Transfers			930	17,749						
Total Business-Type Activities	181	225	(57,843)	17,915	(10,077)	278	54,164	69	22	35
Total District-Wide	\$ 9,187,632	9,227,427	9,701,586	9,373,712	9,563,020	9,983,448	8,484,034	10,457,737	10,964,902	11,873,618
Change in Net Position										
Governmental Activities	\$ 203,125	(78,945)	61,492	(81,370)	404,581	56,722	(991,599)	687,500	356,280	51,712
Business-Type Activities	28,621	16,883	(39,114)	3,809	10,679	12,934	109,075	71,682	96,764	(129,921)
Total District-Wide	\$ 231,746	(62,062)	22,378	(77,561)	415,260	69,656	(882,524)	759,182	453,044	(78,209)

Source: ACFR Schedule A-2

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>#</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund											
Restricted	\$ 1,792,170	\$ 1,760,849	\$ 1,976,821	\$ 2,150,863	\$ 1,988,208	\$	2,032,337	\$ 1,479,863	\$ 2,560,287	\$ 2,576,202	\$ 2,621,329
Assigned:							17,087	920,654	372,245	320,738	484,029
Unassigned (Deficit)	(281,638)	(282,616)	(318,729)	(303,398)	(299,654)		(330,092)	(336,018)	(162,265)	(128,141)	(276,461)
Total General Fund	<u>\$ 1,510,532</u>	<u>\$ 1,478,233</u>	<u>\$ 1,658,092</u>	<u>\$ 1,847,465</u>	<u>\$ 1,688,554</u>	<u>\$</u>	<u>1,719,332</u>	<u>\$ 2,064,499</u>	<u>\$ 2,770,267</u>	<u>\$ 2,768,799</u>	<u>\$ 2,828,897</u>
All Other Governmental Funds											
Restricted, Reported in:											
Special Revenue Fund (Deficit)	\$ (39,684)	\$ (29,037)	\$ (32,909)	\$ (24,198)	\$ (28,069)	\$	(49,485)	\$ (69,234)	\$ (31,951)	\$ (42,594)	\$ (35,994)
Capital Projects Fund	522,684	387,684	247,684	102,684							
Debt Service Fund	1	2	1		1		2	1	1	1	
Total All Other Governmental Funds	<u>\$ 483,001</u>	<u>\$ 358,649</u>	<u>\$ 214,776</u>	<u>\$ 78,486</u>	<u>\$ (28,068)</u>	<u>\$</u>	<u>(49,483)</u>	<u>\$ (69,233)</u>	<u>\$ (31,950)</u>	<u>\$ (42,593)</u>	<u>\$ (35,994)</u>

Source: ACFR Schedule B-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 2,214,813	\$ 2,308,320	\$ 2,353,023	\$ 2,346,197	\$ 2,381,054	\$ 2,568,604	\$ 2,604,267	\$ 2,659,182	\$ 2,700,375	\$ 2,703,192
Tuition Charges	24,241	9,629	8,689				51,921	37,657	92,779	24,812
Transportation Charges							2,856			
Interest Earnings	11,781	10,903	6,458	6,384	5,871	6,224	6,510	5,580	4,232	7,605
Miscellaneous	10,991	19,812	11,720	15,231	19,728	63,536	57,568	70,538	20,285	30,814
State Sources	7,036,875	7,088,908	7,260,510	7,409,662	7,698,356	7,935,065	8,177,769	8,754,480	9,297,086	8,951,957
Federal Sources	463,940	476,626	440,801	454,900	451,399	577,471	603,024	663,703	864,192	1,468,708
Total Revenues	9,762,641	9,914,198	10,081,201	10,232,374	10,556,408	11,150,900	11,503,915	12,191,140	12,978,949	13,187,088
Expenditures										
Instruction										
Regular Instruction	2,419,526	2,355,927	2,186,829	2,329,641	2,359,678	2,603,028	3,177,150	3,631,177	3,491,985	3,661,934
Special Education Instruction	673,628	638,157	683,201	772,556	884,660	1,136,305	660,602	724,910	880,874	839,081
Other Special Instruction	100,026	263,007	81,742	46,438	40,560	28,765				
School sponsored/other instruction	58,426	55,654	34,745	37,200	42,064	43,374	73,544	49,301	122,553	112,850
Support Services										
Tuition	2,181,410	2,387,209	2,546,448	2,205,357	1,613,747	1,424,796	1,552,565	1,202,419	957,680	1,060,594
Student and Instruction Related Services	555,285	556,559	627,560	721,161	847,459	936,545	853,433	967,331	953,647	974,467
General Administration	155,361	155,746	154,966	162,664	176,586	159,631	160,563	156,752	184,851	163,657
School Administrative Services	149,716	167,076	159,590	174,937	154,006	151,099	178,344	152,719	210,512	250,645
Central Services	182,066	186,109	190,821	196,668	180,037	192,671	177,091	186,760	166,286	138,711
Administrative Information Technology							19,286	20,714	37,616	35,666
Plant Operations and Maintenance	464,819	462,183	432,091	465,789	464,115	525,580	487,743	409,126	532,850	511,560
Pupil Transportation	683,056	652,393	644,708	646,848	723,359	894,508	769,872	773,697	917,396	843,963
Employee Benefits	1,511,958	1,691,216	1,800,614	1,961,726	2,210,441	2,533,353	2,623,125	2,910,573	3,836,738	4,154,360
Charter Schools					50,569	25,036				
Capital Outlay	507,573	97,094	77,389	56,287	678,298	96,484	66,285	50,699	309,589	91,472
Debt Service:										
Principal	285,000	290,000	305,000	310,000	315,000	320,000	325,000	335,000	335,000	240,000
Interest and Other Charges	122,363	112,519	102,538	92,019	81,294	70,363	51,779	46,530	33,719	20,733
Total Expenditures	10,050,213	10,070,849	10,028,242	10,179,291	10,821,873	11,141,538	11,176,382	11,617,708	12,971,296	13,099,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(287,572)	(156,651)	52,959	53,083	(265,465)	9,362	327,533	573,432	7,653	87,395
Other Financing Sources (Uses)										
Transfers Out	(3,058)	(1,000)	(7,265)	(11,000)	(19,678)		(2,116)	(22,994)	(19,764)	(20,698)
Proceeds from Capital Lease	88,613									
Total Other Financing Sources (Uses)	85,555	(1,000)	(7,265)	(11,000)	(19,678)	9,362	(2,116)	(22,994)	(19,764)	(20,698)
Net Change in Fund Balances	\$ (202,017)	\$ (157,651)	\$ 45,694	\$ 42,083	\$ (285,143)	\$ 9,362	\$ 325,417	\$ 550,438	\$ (12,111)	\$ 66,697
Debt Service as a Percentage of Noncapital Expenditures	4.27%	4.04%	4.10%	3.97%	3.91%	3.53%	3.49%	3.49%	3.49%	3.49%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Transport- ation	Prior Year Revenue	ERATE	Township	Misc.	Total
2023	\$ 7,605	\$ 24,812	\$	\$	\$	\$	\$ 1,722	\$ 34,139
2022	4,232	92,779		29			7,611	104,651
2021	5,580	37,657		1,900	36,221		23,037	104,395
2020	6,510	51,921	2,856		13,856		39,881	115,024
2019	6,224				18,055	8,846	36,597	69,722
2018	5,871			1,581	6,768		8,869	23,089
2017	6,384				8,089		7,142	21,615
2016	6,458	8,689			9,454			24,601
2015	10,903	9,629			9,908		6,530	36,970
2014	11,781	24,241			9,426			45,448

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2023	\$ 10,671,500	\$ 190,571,900	\$ 14,084,500	\$ 2,374,200	\$ 8,732,300	\$ 2,950,000	\$ 210,000	\$ 229,594,400	\$ 1,089,586	\$ 230,683,986	1.179	\$ 247,594,522
2022	10,731,400	186,337,500	17,338,500	2,339,800	8,586,200	2,950,000	290,000	228,573,400	1,118,640	229,692,040	1.177	234,687,666
2021	11,009,200	186,482,200	17,147,700	2,291,000	8,584,200	2,950,000	290,000	228,754,300	1,138,476	229,892,776	1.166	232,781,419
2020	11,231,800	186,446,100	17,278,100	2,293,400	12,991,000			230,240,400	1,005,378	231,245,778	1.139	224,559,056
2019	11,566,000	187,426,700	17,150,200	2,245,700	12,991,000			231,379,600	985,985	232,365,585	1.114	226,753,822
2018	12,005,100	188,247,300	17,336,100	2,226,300	12,337,400			232,152,200	984,675	233,136,875	1.062	224,453,447
2017	12,085,200	188,999,800	17,202,800	2,225,800	12,230,500			232,744,100	985,037	233,729,137	1.012	216,586,730
2016	12,775,900	191,528,000	17,523,600	2,211,900	11,466,100			235,505,500	979,731	236,485,231	0.994	208,615,023
2015	13,641,000	192,650,700	18,252,600	2,218,000	11,940,400			238,702,700	1,014,932	239,717,632	0.973	211,073,216
2014	13,844,900	193,201,100	19,376,700	2,359,700	10,429,400			239,211,800	985,757	240,197,557	0.942	216,559,660

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

R Revaluation

LAWRENCE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

(Rate Per \$100 of Assessed Value)

(UNAUDITED)

Stow Creek Township and Regional Boards of Education				Overlapping Rates			
Year Ended June 30,	Basic Rate ^a	General Obligation Debt Service ^b	Total District	Lawrence Township	Cumberland County	Total	
2023	\$ 1.030	\$ 0.149	\$ 1.179	\$ 0.599	\$ 1.122	\$	2.900
2022	1.028	0.149	1.177	0.564	1.198		2.926
2021	1.019	0.147	1.166	0.551	1.209		2.926
2020	0.995	0.144	1.139	0.531	1.215		2.885
2019	0.967	0.147	1.114	0.521	1.180		2.815
2018	0.945	0.117	1.062	0.489	1.145		2.696
2017	0.898	0.114	1.012	0.467	1.084		2.563
2016	0.882	0.112	0.994	0.453	1.001		2.448
2015	0.863	0.110	0.973	0.411	0.986		2.370
2014	0.836	0.103	0.942	0.382	0.948		2.272

Source: District Records and Municipal Tax Collector

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

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

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

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

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
AG-Mart Produce INC	\$ 3,512,600	1.53%	\$ 2,950,000	1.23%
Eastern Fresh Growers INC	1,700,000	0.74%		
SF Systems CO			1,700,000	0.71%
Bell Atlantic Prop	1,118,640	0.49%	985,757	0.41%
Taxpayer #1	935,200	0.41%	535,600	0.22%
Taxpayer #2	653,500	0.28%	557,800	0.23%
E Puglisi & Sons LLC	612,100	0.27%		
Nardelli Bros	604,300	0.26%		
Taxpayer #3	557,800	0.24%	483,600	0.20%
Taxpayer #4			475,900	0.20%
Suzway LLC	581,700	0.25%		
M&T Land Company, LLC			500,000	0.21%
Taxpayer#5				
Cedarville Cooperative			700,000	0.29%
Total	<u>\$ 6,763,240</u>	<u>2.94%</u>	<u>\$ 8,888,657</u>	<u>2.47%</u>

Source: District ACFR & Municipal Tax Assessor

EXHIBIT J-9

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2023	\$ 2,703,192	\$ 2,703,192	100%	\$ 221,593
2022	2,659,182	2,437,589	92%	
2021	2,604,267	2,604,267	100%	
2020	2,568,604	2,568,604	100%	
2019	2,381,054	2,381,054	100%	
2018	2,346,197	2,346,197	100%	
2017	2,353,023	2,353,023	100%	
2016	2,308,320	2,308,320	100%	
2015	2,214,813	2,214,813	100%	
2014	2,174,400	2,174,400	100%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^a	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2023	\$ 406,000	\$	\$	\$	\$ 406,000	0.26%	\$	134
2022	646,000				646,000	0.44%		212
2021	981,000				981,000	0.79%		375
2020	1,316,000				1,316,000	1.07%		487
2019	1,641,000				1,641,000	1.33%		550
2018	1,961,000				1,961,000	1.58%		623
2017	2,276,000				2,276,000	1.90%		729
2016	2,586,000				2,586,000	2.21%		820
2015	2,891,000				2,891,000	2.49%		904
2014	3,181,000				3,181,000	2.69%		941

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2023	\$ 406,000	\$	\$ 406,000	\$ 0.16%	134
2022	646,000		646,000	0.28%	212
2021	981,000		981,000	0.42%	316
2020	1,316,000		1,316,000	0.59%	435
2019	1,641,000		1,641,000	0.72%	537
2018	1,961,000		1,961,000	0.84%	635
2017	2,276,000		2,276,000	0.97%	722
2016	2,586,000		2,586,000	1.09%	812
2015	2,891,000		2,891,000	1.21%	902
2014	3,181,000		3,181,000	1.32%	985

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Lawrence	\$ 2,150,543	100%	\$ 2,150,543
Other debt			
County of County - Township's share	93,661,798	2.334%	2,185,639
Subtotal, Overlapping Debt			4,336,182
Lawrence Township School District Direct Debt			406,000
Total Direct and Overlapping Debt			\$ 4,742,182

Sources: Lawrence Township Finance Officer and Cumberland County Finance Office

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis	
	2020	\$ 224,034,640
	2021	232,781,419
	2022	246,493,476
	[A]	\$ 703,309,535
Average Equalized Valuation of Taxable Property	[A/3]	\$ 234,436,512
Debt Limit (3% of Average Equalization Value)	[B]	\$ 7,033,095 a
Net Bonded School Debt	[C]	406,000
Legal Debt Margin	[B-C]	\$ 6,627,095

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 6,910,235	\$ 6,651,366	\$ 6,410,762	\$ 6,424,270	\$ 6,556,293	\$ 6,716,931	\$ 4,531,811	\$ 6,772,158	\$ 6,824,862	\$ 7,033,095
Total Net Debt Applicable to Limit	3,181,000	2,891,000	2,586,000	2,276,000	1,961,000	1,641,000	1,316,000	981,000	646,000	406,000
Legal Debt Margin	<u>\$ 3,729,235</u>	<u>\$ 3,760,366</u>	<u>\$ 3,824,762</u>	<u>\$ 4,148,270</u>	<u>\$ 4,595,293</u>	<u>\$ 5,075,931</u>	<u>\$ 3,215,811</u>	<u>\$ 5,791,158</u>	<u>\$ 6,178,862</u>	<u>\$ 6,627,095</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	48.74%	46.03%	43.46%	40.34%	35.43%	29.91%	24.43%	29.04%	14.49%	9.47%

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

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

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

Year	Population ⁽¹⁾	Personal Income (thousands of dollars) ⁽²⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2023 *	3,021	\$ 158,226,492	\$ 52,367	6.50%
2022	3,052	145,295,218	47,607	7.65%
2021	3,101	124,325,463	47,559	9.00%
2020	3,024	122,913,377	45,498	10.80%
2019	3,056	126,020,272	41,327	6.00%
2018	3,088	122,244,656	39,448	7.30%
2017	3,154	122,397,278	38,353	8.50%
2016	3,183	119,734,911	37,100	9.20%
2015	3,205	118,315,780	36,322	10.60%
2014	3,228	114,677,928	34,972	12.20%

* Estimate

Source:

¹ Population information provided by the NJ Dept of Labor and Workforce Development

² Personal income

³ Per Capita

⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

<u>Employer*</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees*</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,723	5.37%	2,837	4.18%
Americold formerly AGRO Merchants	375	0.54%		
F & S Produce/Pipcp Transportstion	1,272	1.84%	525	0.77%
Wal-Mart	850	1.23%	806	1.19%
Durand Glass Manufacturing Co./ARC Inter	895	1.29%	970	1.43%
Gerresheimer (Kimble)			876	1.29%
ShopRite	755	1.09%	737	1.09%
WaWa	780	1.13%	562	0.83%
Seabrook Bros. & Sons	261	0.38%	550	0.81%
Sheppard Bus Service	550	0.79%	520	0.77%
Elwyn New Jersey (Vld. Training)			518	0.76%
Northeast Precast	439	0.63%		
AJM Packaging	489	0.71%		
Ardagh Group	372	0.54%		
Complete Care	312	0.45%		
South State, Inc	345	0.50%		
Corning Glass	281	0.41%		
Nipro PharmaPackaging Americas Corp	307	0.44%		
	<u>12,006</u>	<u>17.33%</u>	<u>8,901</u>	<u>13.11%</u>

*Cumberland County

Source: Cumberland County

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	40.0	39.5	38.0	41.0	42.0	39.0	39.0	42.0	43.0	41.0
Special Education	7.0	8.0	7.0	7.0	4.0	5.0	6.0	7.0	7.0	7.0
Other special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student & Instruction Related Services	2.0	4.0	3.0	8.0	11.0	22.0	26.0	23.0	26.0	26.0
General Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	0.5	1.0
School Administrative Services	4.0	4.0	4.0	4.7	4.0	5.0	5.0	4.0	4.0	4.0
Other Administrative Services								1.0	1.0	1.0
Central Services	2.0	2.0	2.0	3.0	2.0	2.0	4.0	4.0	3.5	2.5
Administrative Information Technology										
Plant Operations and Maintenance	5.7	5.7	5.2	5.2	4.0	4.0	3.0	4.0	4.0	5.0
Pupil Transportation									1.0	1.0
Other Support Services										
Contracted Service - Speech										
Special Schools										
Food Service - Contracted										
Totals	61.7	64.2	60.2	69.9	68.0	78.0	84.0	86.5	90.0	88.5

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	510	\$ 9,135,277	\$ 17,912	-0.33%	46.0	9 to 1	508.0	483.0	1.40%	95.08%
2015	499	9,571,236	19,181	7.08%	47.0	10 to 1	496.0	471.0	-2.36%	94.96%
2016	486	9,543,315	19,636	2.38%	47.0	9 to 1	482.0	457.0	-2.82%	94.81%
2017	472	9,720,985	20,595	4.88%	45.0	8 to 1	476.0	445.0	-1.24%	93.49%
2018	465	9,747,281	20,962	1.78%	48.0	10 to 1	469.0	442.0	-1.47%	94.24%
2019	460	10,654,691	23,162	10.50%	46.0	10 to 1	498.0	459.0	6.18%	92.17%
2020	506	11,110,097	21,957	-5.21%	45.0	11 to 1	506.0	495.4	1.61%	97.91%
2021	480	11,567,009	24,098	4.04%	49.0	10 to 1	479.0	438.0	-3.82%	91.44%
2022	481	12,661,707	26,324	13.65%	50.0	9.6 to 1	485.2	449.5	-2.57%	92.64%
2023	483	12,713,209	26,321	19.88%	50.0	9.7 to 1	487.0	458.6	-3.75%	94.17%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	<u>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>
<u>District Building</u>										
<u>Elementary</u>										
M.L. Powell Elementary (1885)										
Square Feet	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149
Capacity (Students)	628	628	628	628	628	628	628	628	628	628
Enrollment	510	499	486	472	465	460	506	480	481	483

Number of Schools at June 30, 2022

 Elementary = 1

 Middle School = 0

 Senior High School = 0

 Other = 0

Source: District records, ASSA

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

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

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

<u>School Facilities</u>	<u>Project #</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Myron Powell School		\$ 81,811	\$ 68,596	\$ 59,010	\$ 87,941	\$ 96,937	\$ 71,172	\$ 75,224	\$ 46,407	\$ 44,856	\$ 21,890
Total School Facilities		<u>81,811</u>	<u>68,596</u>	<u>59,010</u>	<u>87,941</u>	<u>96,937</u>	<u>71,172</u>	<u>75,224</u>	<u>46,407</u>	<u>44,856</u>	<u>21,890</u>
Other Facilities											
Grand Total		<u>\$ 81,811</u>	<u>\$ 68,596</u>	<u>\$ 59,010</u>	<u>\$ 87,941</u>	<u>\$ 96,937</u>	<u>\$ 71,172</u>	<u>\$ 75,224</u>	<u>\$ 46,407</u>	<u>\$ 44,856</u>	<u>\$ 21,890</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

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

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Lawrence Township School District's basic financial statements, and have issued our report thereon dated December 1, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lawrence Township Board of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lawrence Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lawrence Township Board of Education's internal control.

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read 'Raymond Colavita', with a stylized flourish at the end.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 1, 2023

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be significant, labeled 2023-1.

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

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 1, 2023

**TOWNSHIP OF LAWRENCE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant From	Period To	Balance at June 30, 2022		Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance at June 30, 2023		
							Accounts Receivable	Unearned Revenue					Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services:															
General Fund:															
Medical Asst Program	# 93.778	2005NJ5MAP	N/A	\$36,888.00	7/1/21	9/30/22	\$	\$	\$	\$	\$	\$	\$	\$	\$
Medical Asst Program	93.778	2005NJ5MAP	N/A	18,445	7/1/22	9/30/23			18,445	(18,445)		(18,445)			
Total General Fund									18,445	(18,445)		(18,445)			
Passed-through State Department of Education:															
Special Revenue Fund:															
E.S.E.A.															
Title I, Part A	84.010	S010A220030	ESEA 2570-23	\$ 280,006	7/1/22	9/30/23	\$	\$	\$ 110,462	\$ (280,006)	\$	\$ (280,006)	\$ (169,544)	\$	\$
Title I, Part A	84.010	S010A210030	ESEA 2570-22	300,410	7/1/21	9/30/22	(156,630)		156,630						
Title II, Part A	84.367A	S367A220029	ESEA 2570-23	30,483	7/1/22	9/30/23			12,283	(30,483)		(30,483)	(18,200)		
Title II, Part A	84.367A	S010A210029	ESEA 2570-22	36,186	7/1/21	9/30/22	(18,675)		18,675						
Title IV	84.424A	S424A220031	ESEA 2570-23	24,442	7/1/22	9/30/23				(24,442)		(24,442)	(24,442)		
Title V RLIS	84.358B	S358B220030	ESEA 2570-23	12,775	7/1/22	9/30/23			8,465	(12,775)		(12,775)	(4,310)		
IDEA Cluster:															
I.D.E.A. Part B, Basic Regular	84.027A	H027A220100	IDEA 2570-23	163,701	7/1/22	9/30/23			96,610	(163,701)		(163,701)	(67,091)		
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	IDEA 2570-22	163,526	7/1/21	9/30/22	(62,829)		62,829						
I.D.E.A. Part B, Pre-School	84.173	H173A220114	IDEAPS 2570-23	5,081	7/1/22	9/30/23			3,928	(5,081)		(5,081)	(1,153)		
Education Stabilization Fund:															
CRRSA Consolidated:															
CRRSA-ESSER II	84.425D	S425D210027	CRRSA-2570-23	771,590	3/13/20	9/30/23	(76,135)		373,248	(508,347)		(508,347)	(211,234)		
CR Learning Acceleration	84.425D	S425D210027	CRRSA-2570-23	49,516	3/13/20	9/30/23			21,516	(49,516)		(49,516)	(28,000)		
CR Mental Health	84.425D	S425D210027	CRRSA-2570-23	45,000	3/13/20	9/30/23	(4,777)		19,083	(33,564)		(33,564)	(19,258)		
ARP Consolidated:															
ARP ESSER III	84.425U	S425U210027	ARP-2570-24	1,734,100	3/13/20	9/30/24			136,365	(291,737)			(155,372)		
Accelerated Learning	84.425U	S425U210027	ARP-2570-24	50,000	3/13/20	9/30/24									
Evidence Based Beyond									4,570	(20,028)			(15,458)		
Summer Learning	84.425U	S425U210027	ARP-2570-24	40,000	3/13/20	9/30/24									
Beyond the School Day	84.425U	S425U210027	ARP-2570-24	40,000	3/13/20	9/30/24									
NJTSS Mental Health Staffing	84.425U	S425U210027	ARP-2570-24	45,000	3/13/20	9/30/24									
Other:															
REAP	84.358A	S358A182736	S358A182736	12,140	7/1/22	9/30/23			12,140	(12,140)		(12,140)			
Total Special Revenue Fund							(319,046)		1,036,804	(1,431,820)		(1,120,055)	(714,062)		
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Non-Cash Assistance:															
Food Distribution Program	10.565	Unknown	NA	23,809	7/1/22	6/30/23			23,809	(23,380)		(23,380)		429	
Food Distribution Program	10.565	Unknown	NA	17,029	7/1/21	6/30/22	499			(499)					
Cash Assistance:															
Child Nutrition Cluster:															
National School Breakfast Program	10.553	221NJ304N1099	NA	40,887	7/1/22	6/30/23			37,953	(40,887)		(40,887)	(2,934)		
National School Breakfast Program	10.553	211NJ304N1099	NA	123,295	7/1/21	6/30/22	(9,922)		9,922						
National School Lunch Program	10.555	221NJ304N1099	NA	116,679	7/1/22	6/30/23			108,920	(116,679)		(116,679)	(7,759)		
National School Lunch Program	10.555	211NJ304N1099	NA	242,536	7/1/21	6/30/22	(19,372)		19,372						
P-EBT Administrative Cost Reimbursement	10.649	202122S900941	N/A	653	7/1/22	6/30/23				(653)		(653)	(653)		
Supply Chain Assistance Funding Rnd 1	10.555	221NJ344N8903	NA	13,998	1/1/21	9/30/22	(13,998)		13,998						
Supply Chain Assistance Funding Rnd 2	10.555	221NJ344N8903	NA	13,154	1/1/22	9/30/23			13,154	(13,154)		(13,154)			
Supply Chain Assistance Funding Rnd 3	10.555	231NJ344N8903	NA	8,678	10/1/22	9/30/24			8,678	(8,678)					
Total Enterprise Fund							(42,793)		235,806	(203,930)		(194,753)	(11,346)	429	
Total Federal Financial Awards							\$ (361,839)	\$	\$ 1,291,055	\$ (1,654,195)	\$	\$ (1,333,253)	\$ (725,408)	\$ 429	\$

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

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

TOWNSHIP OF LAWRENCE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

													MEMO	
State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Balances at June 30, 2023			Budgetary Receivable	Cumulative Total Expenditures
					(Accounts Receivable)/	Unearned Revenue	Due to Grantor			(Accounts Receivable)	Unearned Revenue/	Due to Grantor		
State Department of Education														
General Fund:														
Equalization Aid	23-495-034-5120-078	\$ 4,808,294	7/1/22	6/30/23	\$	\$	\$	\$ 4,338,635	\$ (4,808,294)	\$ (469,659)	\$	* \$ (469,659)	\$ (4,808,294)	
School Choice Aid	23-495-034-5120-068	438,960	7/1/22	6/30/23				396,084	(438,960)	(42,876)		*	(438,960)	
Transportation Aid	23-495-034-5120-014	87,111	7/1/22	6/30/23				78,602	(87,111)	(8,509)		*	(87,111)	
Special Education Categorical Aid	23-495-034-5120-089	372,413	7/1/22	6/30/23				336,037	(372,413)	(36,376)		*	(372,413)	
Security Aid	23-495-034-5120-084	160,344	7/1/21	6/30/22				144,682	(160,344)	(15,662)		*	(160,344)	
Extrodinary Aid	22-495-034-5120-044	118,612	7/1/21	6/30/22	(118,612)			118,612						
Extrodinary Aid	23-495-034-5120-044	41,941	7/1/22	6/30/23				(41,941)	(41,941)			*	(41,941)	
Non-Public Transportation Aid	23-495-034-5120-014	4,680	7/1/22	6/30/23				(4,680)	(4,680)			*	(4,680)	
Non-Public Transportation Aid	22-495-034-5120-014	4,770	7/1/21	6/30/22	(4,770)				(4,770)					
Homeless Tuition Reimbursment	N/A	25,390	7/1/21	6/30/22	(25,390)			25,390						
Reimbursed TPAF Social Security Contrib.	23-495-034-5094-003	311,881	7/1/22	6/30/23				280,845	(311,881)	(31,036)		*	(311,881)	
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	300,074	7/1/21	6/30/22	(1,579)			1,579						
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	1,506,750	7/1/22	6/30/23				1,506,750	(1,506,750)			*	(1,506,750)	
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	395,819	7/1/22	6/30/23				395,819	(395,819)			*	(395,819)	
On-Behalf TPAF Long-Term Disability Medical	23-495-034-5094-004	675	7/1/22	6/30/23				675	(675)			*	(675)	
Total General Fund					(150,351)			7,623,710	(8,128,868)	(655,509)			(573,082)	(8,128,868)
Special Revenue Fund:														
Preschool Education Aid	23-495-034-5120-086	743,008	7/1/21	6/30/22				668,707	(756,760)	(74,301)		*	(74,301)	(756,760)
Preschool Education Aid	22-495-034-5120-086	652,953	7/1/20	6/30/21	(72,906)	13,752	(13,752)	72,906						
Climate Awareness Education	N/A	6,660	7/1/22	6/30/23				6,660	(6,660)			*	(6,660)	
Total Special Revenue Fund					(72,906)	13,752		748,273	(763,420)	(74,301)			(74,301)	(763,420)
Debt Service Fund														
Debt Service Aid Type II:	22-495-034-5120-017	29,135	7/1/21	6/30/22				29,135	(29,135)			*	(29,135)	
Total Debt Service Fund								29,135	(29,135)				(29,135)	
State Department of Argiculture:														
Enterprise Fund:														
School Breakfast Program (State Share)		562	7/1/22	6/30/23				529	(562)	(33)		*	(562)	
National School Lunch Program (State Share)	23-100-010-3350-023	4,069	7/1/22	6/30/23				3,812	(4,069)	(257)		*	(4,069)	
National School Lunch Program (State Share)	22-100-010-3350-023	6,183	7/1/21	6/30/22	(466)			466						
Total Enterprise Fund					(466)			4,807	(4,631)	(290)			(4,631)	
					\$ (223,723)	\$ 13,752	\$	\$ 8,405,925	\$ (8,926,054)	\$ (730,100)	\$	\$	\$ (647,383)	\$ (8,926,054)
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	1,506,750	7/1/22	6/30/23				1,506,750	(1,506,750)					
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	395,819	7/1/22	6/30/23				395,819	(395,819)					
On-Behalf TPAF Long-Term Disability Medical	23-495-034-5094-004	675	7/1/22	6/30/23				675	(675)					
Total State Financial Assistance - Major Program Determination								6,502,681	\$ (7,022,810)					

See accompanying notes to schedules of financial assistance

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$31,929 for the general fund and \$(1,395) for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 36,888	\$ 8,160,797	\$ 8,197,685
Special Revenue Fund	1,431,820	762,025	2,193,845
Debt Service Fund		29,135	29,135
Food Service Fund	<u>203,431</u>	<u>5,695</u>	<u>209,126</u>
Total Financial Assistance	<u>\$ 1,672,139</u>	<u>\$ 8,957,652</u>	<u>\$ 10,629,791</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

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

NOTE 6: OTHER

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

NOTE 7: MAJOR PROGRAM

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

NOTE 8: SCHOOL-WIDE PROGRAM FUNDS

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

NOTE 9: ADJUSTMENT

There were no adjustments on Schedule A, Exhibit K-3 or Schedule B, Exhibit K-4.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
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

Internal control over financial reporting:

1) Material weakness (es) identified? _____yes X no

2) Significant deficiencies identified? _____yes X no

Noncompliance material to basic
financial statements noted? _____yes X no

Federal Awards

Internal control over major programs:

1) Material weakness (es) identified? _____yes X no

2) Significant deficiencies identified? X yes _____no

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.010	S010A220030	Title I Part A
10.553	231NJ304N1199	CHILD NUTRITION CLUSTER:
10.555	231NJ304N1099	NATIONAL LUNCH PROG.
		SCHOOL BREAK. PROG.

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

Auditee qualified as low-risk auditee? X yes _____no

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

2) Significant deficiencies identified that
are not considered to be material
weaknesses? yes X no

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-068	School Choice Aid
23-495-034-5094-003	Reimbursed TPAF Social Security Contrib.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II - Financial Statement Findings

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

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

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

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

FEDERAL AWARDS

Finding: 2023-1 (AMR 2023-1)

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

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

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

Questioned Costs: None

Context: Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$81,777, as of June 30, 2023.

Effect: Violation of New Jersey Department of Agriculture requirements.

Cause: Actual expenditures were less than anticipated.

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

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

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

STATUS OF PRIOR - YEAR FINDINGS

Finding 2022-1

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

Status: Unresolved