

**SCHOOL DISTRICT**

**OF**

**LAWRENCE TOWNSHIP**

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**LAWRENCE TOWNSHIP, NEW JERSEY**

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

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**OF THE**

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**

**LAWRENCE TOWNSHIP, NEW JERSEY**

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

**PREPARED BY**

**LAWRENCE TOWNSHIP BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

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## **INTRODUCTORY SECTION**





# LAWRENCE TOWNSHIP PUBLIC SCHOOLS

Business Office  
www.ltps.org • 2565 Princeton Pike, Lawrenceville, NJ 08648 • 609-671-5420

Tom Eldridge  
Business Administrator  
Board Secretary

## Transmittal Letter

January 15, 2024

Honorable President and  
Members of the Board of Education  
and residents of Lawrence Township  
2565 Princeton Pike  
Lawrenceville, NJ 08648-3698

Dear Board Members and members of the public:

Please accept this submission of the Annual Comprehensive Financial Report (ACFR) for the school year ending June 30, 2023. This report is meant to be reviewed within the context of the district's mission and statutory responsibilities. The ACFR is the financial document that represents the official financial conclusion to the district's education plan for the audit year. The ACFR must be read in the context of the district's educational goals as stated and as impacted by varying environmental conditions.

*Of special note to the reader is that this audit was conducted after one full year of services following the COVID-19 world-wide pandemic. The school district provided in-person education during the entire year. This is notable as it impacts finances in the areas where in-person resources are consumed such as substitute employee, energy, transportation, cafeteria, technology and direct instructional costs. Also notable are the federal grants received which are reportable in the Special Revenue section of the audit.*

### **Introduction**

The Annual Comprehensive Financial Report (ACFR) summarizes the financial activity of the district as a financial reporting entity. The primary purpose of the reporting entity is to provide a full range of educational services appropriate to grade levels Pre-K through 12 including both special and regular educational programs. The budget, upon which the audit is based, is primarily driven by board of education goals (Board Goals), federal laws, state laws, student enrollment, student specific needs, and a myriad of other requirements complementing educational mandates. The Annual Comprehensive Financial Report reflects the health of the school district's finances from the perspective of financial accounting and financial compliance, and does not reflect, or give an opinion as to, the educational efficacy of any program.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The ACFR 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 general-purpose financial statements and schedules, The Management Discussion and Analysis (MD&A), and the Auditor's Report. 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 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.

It is our hope that you will find the enclosed information helpful. While presented in four sections, this document is intended to be read as a whole. A narrative on the status of the major funds within the school district's budget is included within the Management Discussion and Analysis section of this report.

### **District Profile**

The Lawrence Township Board of Education is responsible for educating students located within the boundaries of Lawrence Township. Lawrence Township is located in Mercer County, New Jersey. The municipality has a population of approximately 28,000 persons. On average the school district serves a diverse population of approximately 3,800 students between the ages of 3 and 21.

Governance of the Lawrence Township Public Schools is the responsibility of The Lawrence Township Board of Education. The Board of Education is comprised of nine members who are generally elected to three-year terms. The nine-member board is statutorily charged with making prescribed decisions and ratifying recommendations of the superintendent. Boards of education derive their authority from the State of New Jersey. Within the boundary of the Township of Lawrence, The Board of Education is a co-equal government with the municipality and county. The superintendent is the chief executive officer responsible for all activities.

The budget process used to manage resources is a modified zero-based budgeting approach. The contents of the budget are guided by the district's strategic plan, state requirements, and federal requirements. Each section of the budget is developed by the district leadership ranging from supervisors, assistant principals, directors, central office administrators to the superintendent. All aspects are guided by input from students, staff, the board of education and the general public. The Lawrence Township Board of Education adopts budgets on an annual basis in accordance with state law.

The programs supported by the district's budget range from those prescribed by the State of New Jersey through its Student Learning Standards (NJSLs) for students in preschool, grades K-12 and through Transition to Adulthood to those required in accordance with the Individuals with Disabilities Education Act to unique programs and enhancements that the district offers based on local discretion. In addition to typical classroom programs, the district also offers services in Basic Skills, English as a Second Language, Special Education, Guidance, Child Study Team Services, Occupational Therapy, Physical Therapy, Speech, Health, Library/Technology, Mental health counseling, Guidance counseling, Co-Curricular, and

Athletic programs. The Board of Education consistently exceeds the State of New Jersey's "Adequacy" criteria by millions of dollars each year.

Budget management is a function of the district's administrative team. Authority to manage the budget is granted by the Board of Education at its Reorganization Meeting and through administrative delegation. Budget authority is also designated by state law. The superintendent and school business administrator are responsible to develop and maintain internal controls and to create a budget process and management system that leverages the best educational ideas of all educational contributors and recipients.

Internal controls over resources are developed internally and reviewed on a regular basis by the school business administrator and evaluated independently each year by the district's independent auditor. The school business administrator holds the primary responsibility regarding budget deployment and monitoring. Additionally, the Board of Education is also charged with budget oversight through monthly approvals of the Board Secretary's and Treasurer's Reports.

### **Local Economy and Financial Outlook**

The overall economic outlook for the school district and township are strained due to the pandemic and subsequent inflation arising out of the world-wide pandemic. Inflation continues to cause strains on the district primarily through increased costs for all supplies, services, and direct compensation. The state imposed local property tax cap of 2% will continue to be a challenge into the future as salary and benefit costs are projected to significantly exceed 2% increases. Adding to the causes of inflation is a lack of supply of teachers within the labor market.

Many criteria are used to measure the economic position of the community and the financial outlook. Criteria used to measure the local economy are geared towards the municipality's ability to support the educational program. The four main indicators are number of students eligible for free and reduced priced meals, the unemployment rate, and the total Net Valuation Taxable (ratable base) of the township, and most recently, for the first time in over a dozen years, inflation has become significant.

Free and reduced priced lunch eligibility is a measure of poverty/affluence based on household income conflated with the number of persons in a household. The criteria for this means-based metric is determined by the State of New Jersey. Prior to the pandemic, the percentage of students participating in free or reduced priced lunches was 25% of the school population. Depending on the month of measurement, this number now hovers at approximately 28%.

Another metric used to gauge financial health is the Net Valuation Taxable of property in Lawrence Township. The majority of the district's educational program is funded through property taxes. The Net Valuation Taxable represents the land value upon which the school tax burden is distributed. The assessed valuation of Lawrence Township is stable and increasing.

In addition to the previous financial indicators, unemployment can have a significant impact on the economy. At this time unemployment remains historically low and is not contributing to economic strain.

Overall, however, the most significant financial metric for the audit year was inflation. The Consumer Price Index, year over year (June 2022, BLS Index "296" to June 2023, BLS Index "305"), increased by 3%, down from 9.1% in the previous year according to the Bureau of Labor Statistics.

The previous discussion focused on the ability of a community to support education. The demand for educational dollars; however, is driven by enrollment combined with the types of education demanded and the cost of providing the services. Programmatically, "Regular Education" consumes the greatest amount of economic resources. In the audit year, however, and post audit year, the district has realized a trend toward increasing costs for "Special Education." Special Education costs are being driven by the types of student classifications and not the quantity of students. In the near future, due to changes in demographics, students whose primary language is not English may also impact finances.

Within both of the previously noted programs, the main "object" cost drivers are direct compensation in the form of salary and benefits. Salaries are negotiated with various collective bargaining units and are expected to increase at a rate of approximately 3%. Benefits, comprised mainly of health benefits, followed by pension and social security costs, are expected to increase between 5-12%. Salaries and benefits normally comprise 75-80% of the school district's Total Operating Budget.

The meeting point between demand for resources, and the taxpayer's ability to support the educational program is largely set equal by the statutory cap on property tax growth. This cap is fixed at 2% of the district's Total Operating Account tax levy. Property taxes, with few exceptions, may not increase between school years by more than 2%. The problem presented by the supply and demand conflict is that anticipated expenditures are projected to be greater than the anticipated growth in revenue. To reconcile the conflict, the district exercises long term financial planning and practices.

Financial Planning is a perpetual exercise beginning with assessing need, budgeting for needs, managing the deployment of the budget, projecting interim budget needs, and reassessing need and progress with respect to goal attainment. Once needs are identified and funded, the district is charged with deploying limited resources effectively and efficiently. This deployment is often contingent on cost savings initiatives and revenue enhancements.

Broadly, the district strives to save resources and then reinvest those resources in educational programs. Notable initiatives of the district that are basic to our strategic financial planning are those designed to reduce non-instruction costs including: Installing over 6,000 solar panels to offset electrical demand by 25%, retrofitting lighting in 2012, 2015, and 2018 through grant funding thereby decreasing expenditures, and refinancing debt. The district has also installed its own private fiber optic lines between all buildings. The fiber optic lines eliminate the need to lease individual high-speed lines for each school from the telephone company. The lines make the entire district virtually one campus. The only exceptions are the remote buildings. As required by law, as of the conclusion of the audit year, all long-term debt eligible to be refinanced has been refinanced for the purpose of reducing the cost of interest. The district also participates in more common cost savings practices of cooperative pricing and cost sharing.

As a matter of daily function, the district also shares resources to create efficiencies. A long-standing relationship of shared services exists with the local municipal government. The local municipality and school district assist one another to provide the residents of Lawrence Township with services that make Lawrence Township unique. The district maintains an indoor swimming pool at Lawrence High School and the municipal government staffs the facility with life guards for after school hours use by the community. The district also houses both adult and student aged, "Night Programs" and the "Summer Programs" operated by the Township's Recreation Department.

Throughout the year, the district provides facilities to the residents of Lawrence Township for special community wide functions. The district's Facilities Department and municipality's Public Works Department (PWD) work closely with one another throughout the school year. The two units share equipment and resources. The PWD provides the district with salt during snow storms while the district plow trucks often assists with plowing municipal parking lots. The organizations also share grounds and maintenance tools.

The district also participates in a joint purchasing agreement with over 200 New Jersey School districts for supplies and minor repair and construction services. The use of cooperative pricing systems has greatly increased over the years and now includes: Mercer County Cooperative Pricing System, The Educational Services Commission of New Jersey, Morris County Educational Services Cooperative Pricing System, Mercer County Special Services School District Cooperative Pricing System, Camden County Educational Services Commission, and The State of New Jersey's cooperative pricing system, "State Contract".

In addition, the district has joined state-wide consortiums for the purchase of electricity, natural gas, and long-distance telephone. Locally, the district participates in transportation consortiums organized by Mercer County Coordinated Transportation Services. Transportation joint ventures are also undertaken directly between LTPS and other school districts. Joint ventures help provide basic services while reducing costs through cost sharing.

In the school year ending June 2018, the district completed an energy audit via a third-party entity sponsored by the State of New Jersey. The report showed no systematic deficiencies; however, it did recommend upgrades to systems and equipment as they become obsolete.

In addition to cost savings, the district also seeks to enhance revenue. During the past audit year, the district received in excess of \$200,000 in local grants. The majority of the grants were awarded to the Board by the Lawrence Township Education Foundation. These grants were used as seed money to fund novel educational ideas. Grant ideas and applications are generated several times a year and submitted directly by staff members to the foundation.

The district consistently utilizes its Capital Reserve and Maintenance Reserve Funds as savings vehicles designed to set aside funds for building improvements and maintenance. These reserves are strategically important because they provide a tool to set funding aside for the future and thereby decrease spikes in tax collections. The funds also insulate the operational budget from the effects of emergency building needs. Instead of transferring funds away from operational budget lines and into the area of need, the Board may use its reserves and not affect the instructional program.

Over the course of the audit year, reserve funds were used to address various building needs ranging from fixing boilers, installing fences, and doors to addressing lighting problems.

One of the most critical aspects of financial planning is the management of fund balance (surplus). Managing fund balance requires routine monitoring of current revenue and expenditures. In addition to balancing the budget, managing surplus is necessary because it is used as a revenue source in subsequent years. Finally, surplus is also acts as a mechanism allowing for cash "float." When tax collections or state aid are not received in a timely manner, or when large expenditures are required in the current budget without operational revenue having been collected, the district's surplus cash can be used for short term cash needs.

Included within the Management Discussion and Analysis (MD&A) is an analysis of ending surplus. The district's internal controls require that surplus and the overall budget be reviewed once a month via an analysis of the Board Secretary's Report. The Board Secretary's

Report contains a collection of unaudited expenditures and revenues schedules that either add to or diminish fund balance (surplus). While the interim reports are unaudited, the final report is audited. If the district realizes more revenue than expected, the additional revenue is added to surplus. Conversely, revenue shortfalls diminish surplus. Similarly, if the district over-expend its appropriations, surplus is decreased and if it underspends, surplus is increased. Surplus, also known as fund balance, is equal to retained earnings in traditional accounting.

Finally, and most fundamentally, decisions made by the district that require resources are analyzed on the ability of the district to sustain the funded service. Staffing considerations are made with respect to enrollment changes and program changes. These decisions are also made through the lens of educational opportunity; providing better and more efficient service, and discontinuing obsolescent or less effective practices.

### **Relevant Financial Policies**

Policy, code, and statute appoint the school business administrator of the district responsible for establishing and maintaining an internal control structure designed to ensure that 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 control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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 budget. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Each fund has its own separately balanced budget. 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

In accordance with statute, code, and policy, a double entry 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations in the fund balance at June 30.

### **Accounting Systems & Reports:**

The district accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The district presents financial records in a Fund Accounting format and uses a Double Entry accounting system. Each

district fund has its budget and is presented separately on discrete financial reports. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

#### 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 which requires it to deposit public funds in public depositories protected from loss under the provisions of 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. Investment income is accrued monthly and presented in "month-end" format on the district's Board Secretary's Reports.

#### Risk Management:

Risk management encompasses both insurance decisions as well as loss prevention associated with non-insurance events. As cyber intrusions become more commonplace globally and security threats become more commonplace, the district has expanded its risk management thinking to include building projects, emergency response plans, data transmission and security, and a host of other formerly less conventional topics. Part of the district's referendum, discussed under "Initiatives" addresses these issues.

To prevent loss, the district practices a review of internal controls on a regular basis. The district also reviews its emergency plans and practices drills regularly. In addition to monthly fire drills, each school in the district also has one security drill per month.

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; worker's compensation and fidelity bonds. The Insurance schedule for the fiscal year is prepared by Arthur J. Gallagher & Co., Mt. Laurel, NJ. The insurance schedule for the reportable year is listed in the Statistical Section of the ACFR.

#### Independent Audit:

State statutes require that an annual audit be conducted by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984 and other related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements that combines individual fund statements and schedules is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

#### Major Initiatives

In addition to mandated functions, the district also focuses on yearly initiatives. For the audit year, with respect to each subject the district focused on the following:

The major initiatives this year were continuity of operations and addressing equitable educational experiences for all students, mental health for students, and completing components

of our building maintenance initiatives. With respect to equity, the district continued its mission to create a climate of “belonging” for the purpose of student fostering student engagement. As a byproduct of the pandemic, many students, locally and nationally, have needed mental health services. The district has invested in providing mental health counseling at its three largest schools for grades 4-12. Finally, during the audit year we continued with our capital maintenance plans by completing the installation of emergency notification systems the district, completing and completing the roof replacement at Slackwood School.

#### Projected enrollment:

The Average Daily Enrollment for Lawrence Township, as noted in the table below, has become stable after declining year over year from 2015 through 2022. Demographic studies predict that enrollment will continue to decline.

Please note that enrollment projections are influenced by many factors. While the number of students is currently in decline, the overall needs of students, educationally, has shifted in the last two years as special education is becoming more dynamic and is therefore demanding more resources. Enrollment, in addition to influencing the need for overall resources, also affects building capacity.

Year	ADE
2015	3,982
2016	3,918
2017	3,893
2018	3,836
2019	3,762
2020	3,797
2021	3,656
2022	3,633
2023	3,665

#### Buildings:

Educational services take place within the district’s seven schools ranging in ages from their original construction in the early 1900’s through their renovated conditions as recent as 2023. Each building is comprised of many additions which are each separate structures joined to the original structure.

The district is configured into four elementary schools housing students grades PK-3, one intermediate school with grades 4-6, a middle school serving grades 7-8, and a high school serving students in grades 9-12 and through Transition to Adulthood, one administration building and one warehouse/facilities department building.


In addition to capital improvements, the district is also required to maintain its buildings. Building maintenance is measured in the ACFR in the form of a type of expenditure named “Required Maintenance.” “Required maintenance” means, those maintenance activities necessary to keep the building open and safe, in its original condition, and preserve the warranty of the systems. NJAC 6A:26 requires that to be eligible for state aid, the school district must spend at least 2% of the replacement cost of each building in the form of “Required Maintenance” over the course of 10 years. The Lawrence Township Public Schools spends



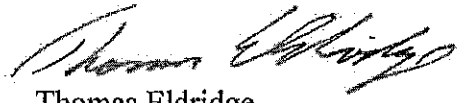
significantly more than 2% of each building's replacement cost. A ten-year history of Required Maintenance Expenditures may be found in the Statistical Section of the ACFR. The district consistently spends in magnitudes several times greater than required to meet the minimum required maintenance expenditure.

For more information on district practices, programs, and services, please contact Thomas Eldridge, School Business Administrator, at [Teldridge@ltps.org](mailto:Teldridge@ltps.org).

Respectfully submitted,



Robyn Klim, Ed.D.  
Superintendent of Schools



Thomas Eldridge  
Business Administrator/Board Secretary

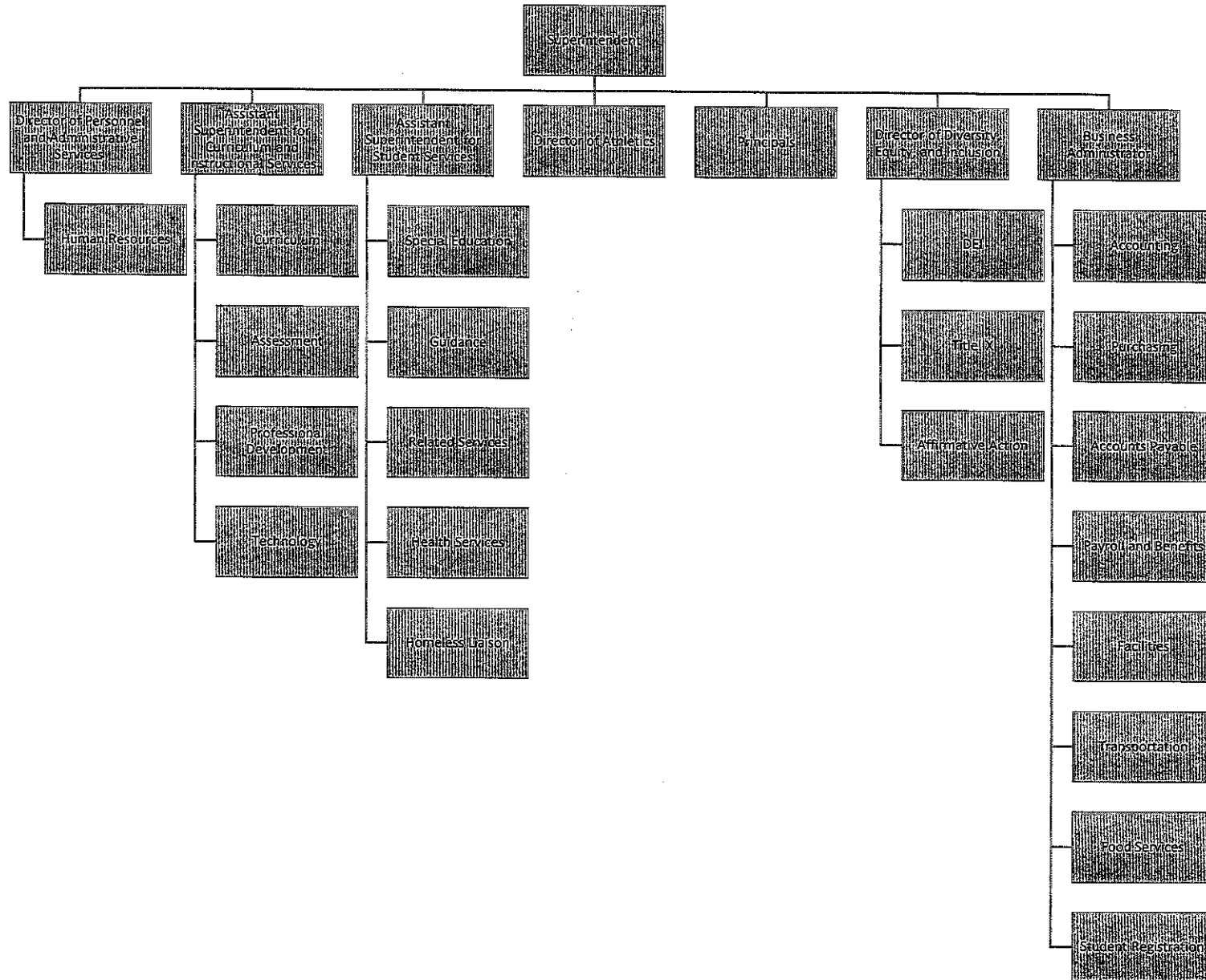
**ROSTER OF OFFICIALS**

<b>Board Members:</b>	<b>Position</b>	<b>Date Elected</b>	<b>Term Begins</b>	<b>Term Ends</b>
Jo Ann Groeger	Member	November 2, 2021	January 2022	January 2025
Robert Pluta	Member	November 2, 2021	January 2022	January 2025
Kevin Van Hise	Member	November 2, 2021	January 2022	January 2025
Pepper Evans	Member	November 8, 2022	January 2023	January 2026
Michelle King	Member	November 8, 2022	January 2023	January 2026
Amanda Santos	Vice President	November 8, 2022	January 2023	January 2026
Michele Bowes	Board President	November 7, 2023	January 2024	January 2027
Arundel Clarke	Member	November 7, 2023	January 2024	January 2027
Diana Pasculli	Member	November 7, 2023	January 2024	January 2027
<b>Professionals:</b>	<b>Position</b>	<b>Appointed</b>	<b>Term Begins</b>	<b>Term Ends</b>
Robyn Klim	Superintendent	June 28, 2023	September 1, 2023	June 30, 2028
Thomas Eldridge	Board Secretary/SBA	June 7, 2023	July 1, 2023	June 30, 2024
<b>Consultants:</b>	<b>Position</b>	<b>Appointed</b>	<b>Term Begins</b>	<b>Term Ends</b>
Peter Kiriakatis	Treasurer	May 3, 2023	July 1, 2023	June 30, 2024
Robert Hulsart and Co.	Auditor	April 12, 2023	July 1, 2023	June 30, 2024
Comegno Law	Attorney	April 12, 2023	July 1, 2023	June 30, 2024
Lenox Law Firm	Attorney	April 12, 2023	July 1, 2023	June 30, 2024
Parker McCay	Attorney	April 12, 2023	July 1, 2023	June 30, 2024

**BOARD COMMITTEES AND LIAISONS**

<b>Board Committees</b>	<b>Chair</b>	<b>Members</b>		
<b>Finance</b>	Kevin Van Hise	Michele Bowes	Amanda Santos	Pepper Evans
<b>Community Relations &amp; Legislative Affairs</b>	Amanda Santos	Robert Pluta	Diana Pasculli	Jo Ann Groeger
<b>Personnel</b>	Jo Ann Groeger	Robert Pluta	Kevin Van Hise	Arundel Clarke
<b>Curriculum, Instruction, Assessment &amp; Professional Development</b>	Pepper Evans	Diana Pasculli	Michele King	Michele Bowes
<b>Negotiations</b>	Michele Bowes	Amanda Santos	Kevin Van Hise	Michele King
<b>Board Liaisons</b>				
<b>New Jersey School Boards Association</b>	Jo Ann Groeger			
<b>Student Services</b>	Arundel Clarke    Michele King			

# Organization Chart



## **FINANCIAL SECTION**

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888

e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Lawrence Township Board of Education  
County of Mercer  
Lawrence Township, New Jersey

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lawrence Township Board of Education, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District'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 Lawrence Township Board of Education, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of the Lawrence Township Board of Education, 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 these 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted 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 Lawrence Township Board of Education's basic financial statements. The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

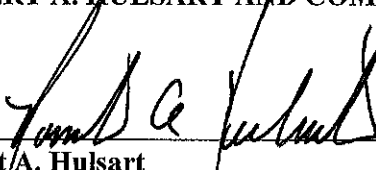
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

***Other Reporting Required by Government Auditing Standards***

In accordance with ***Government Auditing Standards***, we have also issued our report dated January 15, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**



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**Robert A. Hulsart**  
**Licensed Public School Accountant**  
**No. 322**  
**Robert A. Hulsart and Company**  
**Wall Township, New Jersey**

January 15, 2024



**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**LAWRENCE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**MD & A Format and Purpose:**

The Management's Discussion and Analysis Report of Lawrence Township Public School District's financial performance provides a review of the school district's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to review and explain the school district's financial performance for the major fund categories. The MD&A should be read in conjunction with the Annual Comprehensive Financial Report (the audit/ACFR). For information about the deployment of resources relative to the instructional program, the reader is referred to the district's official budget and related information available in the Board Secretary's office located at the Administration Building, 2565 Princeton Pike, Lawrenceville, NJ 08648, or at the district's website at [www.ltps.org](http://www.ltps.org).

**Governmental Funds**

The school district's activities are reported in categories known as Funds. Governmental Fund reports focus on the flow of money into and out of these funds and the remaining balances left at year-end available for use in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The school district meets its obligation to provide a thorough and efficient public education through resources accounted for in its governmental funds. The majority of all governmental funds expended by the Lawrence Township Board of Education are raised through tax levy (*Ad Valorem taxes*). The categories of Governmental Funds change over time depending on need. The basic funds contained in most budget years are the: General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

The Governmental Fund statements provide a detailed, short-term, view of the school district's general operations and basic services. Included in the ACFR are the Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balances which include information to assist in comparing budgeted to actual expenditures.

**Enterprise Funds**

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. Enterprise funds, however, are subject to greater volatility due to uncertain revenue streams. Enterprise funds at their most basic are funds that are operated on a fee for service basis. An example of this type of fund is the Cafeteria Fund.

**Schedules Contained in the Annual Comprehensive Financial Report**

The Financial Statements presented in this Annual Comprehensive Financial Report are end of year, closing statements, and are distinguished from the monthly Board Secretary's and Treasurer's Reports. The most significant distinctions are that the Board Secretary's and Treasurer's Reports are "interim reports," used for ongoing monitoring and internal controls, and more closely align to cash accounting than the final reports presented in this report. Another significant and material difference between the interim reports on file in the Board Secretary's Office and this report is that the schedules found in this report have been materially modified to reflect accruals of a non-cash basis such as: payments made by the State of New Jersey to the Teacher's Pension and Annuity fund and payments made by the State of New Jersey to the Federal Government for social security. Both of these payments are not made by the school district but must be shown in the audit schedules as expenditures.

**A. A brief discussion of basic financial statements:**

**Statement A-1 Statement of Net Position (A consolidated balance sheet statement, See Notes 1, 3 & 4)**

The Statement of Net Position is the consolidated balance sheet of the board of education. The "Net" description refers to the collapsing of all Governmental Fund Groups (General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund), along with Enterprise Funds (Cafeteria Fund, Driver's Education Fund) into one consolidated total statement. The statement is divided into two "activities": Governmental Activities and Business Activities. Within each activity current and long-term assets are listed and followed by a listing of short- and long-term liabilities. The difference between the assets and liabilities is the "Net Position."

The Net Position is influenced by short term and long-term assets and liabilities. The most notable item on this exhibit is the long-term liabilities item entitled "Due beyond One Year." This section includes total debt associated with bonds, sick leave payment, and pensions. It is very important to note that this statement contains transactions that occur at the state level and are not represented on district Board Secretary's Reports and may not be the actual liability to the school district. For example, the district is not responsible for long term teacher pension costs however listed under the section "Non-current Liabilities."

**Statement A-2 Statement of Activities (A consolidated statement, See Notes 1, 3 & 4)**

The Statement of Activities is the consolidated activities report (Similar to an income statement) of the board of education. The "Net" description refers to the collapsing of all Governmental Fund Groups (General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund), along with Enterprise Funds (Cafeteria Fund, Driver's Education Fund) into one consolidated total statement. The first section is a list of all expenditures followed by the second section listing all Revenues. The intent of the exhibit is to match expenses to revenues by program; however, this is not possible due to the fact that the majority of revenue collected by the district is not restricted to a certain program. The change in "Net Position" is the difference between the expenditures and revenues combined with changes in the district's net assets. This schedule is similar to an income statement.

The Net Position is influenced by changes in total actual revenues and total actual expenditures. The purpose of this statement is to identify the net result of the audit year's expenditures and revenues, combine the result with changes in fixed assets, and then add this to the beginning net position to arrive at a new "Net Position."

**Statement B-1 Balance Sheet (A consolidated statement, See Notes 1, 3, 4, & 11)**

The Balance Sheet in "Exhibit B-1" provides a listing of all assets and liabilities within the "Governmental Fund" types separated by fund type. The first section of the exhibit lists current assets by fund. The second section lists current liabilities by fund. The difference between current assets and current liabilities is Fund Balance. Fund balance is analogous to "retained earnings." In most cases a material portion of fund balance is "restricted" and assigned for use in the following year. For a listing of restrictions please refer to Note 11.

The end of this statement addresses Long Term Assets and Liabilities and adds these to the current assets and liabilities in the top section to arrive at the Net Position.

There were no significant changes or reasons for notes in the balance sheet for the audit year.

**Statement B-2 Statement of Revenues, Expenditures and Changes in Fund Balances (A consolidated statement, See Notes 1, 3, 4, & 11)**

The Statement of Revenues, Expenditures and Changes in Fund Balances in "Exhibit B-2" is similar to an income statement. The first section is a list of all revenue by source, by fund followed by the second section listing all expenditures by category by fund. The change in "Net Position" is the difference between the expenditures and revenues. The difference between revenues and expenditures is Fund Balance.

### **Statements B-3 through B-7**

Whereas Statements B-1 and B-2 (concerning governmental funds) were the detailed (unconsolidated) versions of A-1 and A-2, B-3 through B-7 are the detailed (unconsolidated) versions of A-1 and A-2 regarding Proprietary (business) funds. Schedules B-2 through B-7 include enterprise funds (example: Food Service) and trust/agency funds (example: payroll withholdings and unemployment reserve).

### **Statements C-1 and C-2 Budgetary Comparison Schedule-General Fund(C-1), Special Revenue Fund (C-2)**

The most financially informative schedules in the ACFR are the Budgetary Comparison Schedules Exhibit C-1 and C-2. These schedules are aligned in form and presentation with the district's official budget and the district's official interim (monthly) financial reports (Board Secretary's Report). The exhibits illustrate the changes and ending balances in the General Fund and Special Revenue Fund respectively.

The "C" exhibits list expenditure by program and function type. For example, unlike Exhibits A and B, Exhibit C reports expenditure by the separate educational purposes, such as Regular Education, Special Education, Administration, Athletics, and Maintenance. By reporting expenditures according to program or function, the reason for the expenditure is made clearer. Similarly, revenues are attributed to their source so that the reader may understand the various funding sources and the proportion of funding received from each source.

Another purpose of Exhibits C-1 & C-2 is to provide the reader with comparative numbers concerning budgeted appropriations and expenditures and actual appropriations and expenditures. Similarly, the exhibits also show comparative budgeted and actual revenue figures. The significance of favorable expenditure and revenue performance results in additional fund balance. Unfavorable expenditure and revenue figures result in diminished fund balance.

Finally, the reader should refer to "Note 11" when analyzing the last section of the "C" schedules concerning Fund Balance.

## **B. Condensed financial information:**

### **Condensed Financial information derived from district-wide financial Statements**

The most significant district-wide, and perpetual, financial statements prepared by the school district are the Board Secretary's Reports. These reports are developed in a State of New Jersey prescribed format and presented to the Board of Education on a monthly basis for their approval. Four Board Secretary's Reports are approved each month, one for each of the following funds (or Budgets): General Operating Fund, Special Revenue Fund, Capital Projects Fund, and Repayment of Debt Fund. Each Board Secretary's Report for each of the above funds contains the following sections: Balance Sheet, Revenue Schedule, and Appropriations Schedule. The reports are designed to provide operating information and do not include long-term asset values such as property and equipment nor do the reports contain long term liabilities beyond the current year for items such as bonded debt or pension costs; all of these items are included in the audit.

The prescribed Board Secretary's Reports are also more informative than the formal audit to the average reader. The formal audit contains adjustments that are required to be made by the state of New Jersey. These can overstate or understate revenue and overstate or understate liabilities giving a less than adequate level of information needed to confidently assess the school district's performance and overall financial position.

**B-1. District Wide Financial Statement: Total Assets and Liabilities and Net Position**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern. Funds 2023	Total Govern. Funds 2022
<b>Assets</b>						
Cash and Cash Equivalents-Restricted	13,017,949	364,569	6,149,001	12,661	19,544,180	15,860,505
Cash and Cash Equivalents-Unrestricted	1,894,671	-			1,894,671	7,261,322
Receivables, Other	54,251	-			54,251	4,470
Receivables, State	1,613,391	16,160			1,629,551	1,180,642
Receivables, Federal Interfund	-	1,352,007			1,352,007	1,890,647
				236,029	236,029	1,199,762
<b>Total Assets</b>	<b>\$ 16,580,262</b>	<b>\$ 1,732,736</b>	<b>\$ 6,149,001</b>	<b>\$ 248,690</b>	<b>\$ 24,710,689</b>	<b>\$ 27,397,348</b>
<b>Liabilities and Fund Balance</b>						
<b>Liabilities:</b>						
Accounts Payable	810,514	633,895	181,662		1,626,071	1,204,018
Payroll Deductions and Withholdings	2,187,611				2,187,611	2,077,038
Interfund Payable	-	-	236,029		236,029	1,199,762
Deferred Revenue	-	820,166			820,166	532,136
<b>Total Liabilities</b>	<b>\$ 2,998,125</b>	<b>\$ 1,454,061</b>	<b>\$ 417,691</b>	<b>\$ -</b>	<b>\$ 4,869,877</b>	<b>\$ 5,012,954</b>
<b>Fund Balance:</b>						
<b>Restricted for Committed To:</b>						
Maintenance Reserve	1,302,310	-	-	-	1,302,310	1,252,620
Emergency Reserve	493,496	-	-	-	493,496	485,572
Capital Reserve	3,260,122	-	-	-	3,260,122	2,977,518
Unemployment	612,424				612,424	612,424
Student Activities		247,052			247,052	203,944
Scholarship Funds		31,623			31,623	34,158
<b>Assigned to:</b>						
Excess Surplus-Current Year	865,648	-	-	-	865,648	865,648
Designated for Cap. Res.	-				-	-
Other Purposes	1,630,191	-	384,005	-	2,014,196	5,070,853
Designated for Subsequent Year's Expend.	2,666,147	-	-	12,660	2,678,807	1,000,000
Capital Projects Fund			5,347,305		5,347,305	6,111,729
Debt Service Fund				236,030	236,030	119,750
<b>Unassigned:</b>						
Special Revenue Fund		-			-	-
General Fund	2,751,799	-	-	-	2,751,799	3,650,178
<b>Total Fund Balances</b>	<b>13,582,137</b>	<b>278,675</b>	<b>5,731,310</b>	<b>248,690</b>	<b>19,840,812</b>	<b>22,384,394</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 16,580,262</b>	<b>\$ 1,732,736</b>	<b>\$ 6,149,001</b>	<b>\$ 248,690</b>		
Adj. for Capital Assets, See "Exhibit" B-1					120,228,676	119,282,463
Accrued Interest					(297,154)	(318,470)
Deferred outflow of resources					2,682,639	2,338,611
Deferred Inflow					(3,160,692)	(8,683,527)
Long Term Liabilities					(43,748,113)	(44,625,769)
<b>Net Position</b>					<b>\$ 95,546,168</b>	<b>\$ 90,377,702</b>

**B-2. District Wide Financial Statement: Program Revenue, Expenditures, and Fund Balance**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern. Funds 2022	Total Govern. Funds 2021
<b>Revenues</b>						
Local Sources:						
Local Tax Levy	72,565,345			4,072,367	76,637,712	73,705,150
Tuition Charges	32,957				32,957	27,905
Miscellaneous	633,573	1,333,061	236,029	-	2,202,663	1,354,918
Total Local Sources	73,231,875	1,333,061	236,029	4,072,367	78,873,332	75,087,973
State Sources	24,962,665	1,077,805		844,931	26,885,401	20,645,375
Federal Sources	81,336	2,578,214			2,659,550	3,185,603
Total Revenue	98,275,876	4,989,080	236,029	4,917,298	108,418,283	98,918,951
<b>Expenditures</b>						
Current:						
Regular Instruction	21,721,973				21,721,973	20,046,872
Special Education Instruction	8,245,525	3,695,295			11,940,820	11,627,901
Other Special Instruction	2,207,156				2,207,156	2,152,088
Other Instruction	1,397,028				1,397,028	1,036,280
Support Services and Undist. Costs:					-	-
Tuition	4,188,228				4,188,228	3,598,402
Student and Instruction Related Services	9,676,312	1,149,393			10,825,705	9,753,391
General Administrative Services	909,378				909,378	2,371,981
Other Administrative Services	4,423,736				4,423,736	2,497,599
Plant Operations and Maintenance	8,320,921				8,320,921	6,943,676
Pupil Transportation	5,120,796				5,120,796	3,227,027
Unallocated Benefits	30,652,184				30,652,184	26,443,515
Transfer of Funds to Chart. Sch./Food Serv.	99,594				99,594	150,876
Debt Service:						
Principal				4,162,000	4,162,000	3,709,000
Interest and Other Charges				862,387	862,387	1,141,916
Capital Outlay	2,687,685	103,819	1,338,454		4,129,958	7,082,737
Total Expenditures	99,650,516	4,948,507	1,338,454	5,024,387	110,961,864	101,783,261
Excess(Deficiency)	(1,374,640)	40,573	(1,102,425)	(107,089)	(2,543,581)	(2,864,310)
Other Financing			(236,029)	236,029	-	-
Net Change	(1,374,640)	40,573	(1,338,454)	128,940	(2,543,581)	(2,864,310)
Fund Balance-July 1	14,956,777	238,102	7,069,764	119,750	22,384,393	24,394,003
Prior Period Adjustment	-	-			-	834,900
Fund Balance July 1 Restated	14,956,777	238,102	7,069,764	119,750	22,384,393	25,228,903
Fund Balance June 30	\$ 13,582,137	\$ 278,675	\$ 5,731,310	\$ 248,690	\$ 19,840,812	\$ 22,364,593

### **C. Analysis of the District's Financial Position.**

#### **Financial Position**

The Lawrence Township Board of Education separates its comprehensive budget into fund groupings. Major fund groupings are separated into discrete fund types. Each fund has its own budget and separate balance sheet. **This analysis focuses on the district's General Fund also known as the Operating Budget.** The other funds within the total budget are the Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Each of these funds, the Student Activities Fund, the Food Service Fund, Payroll Account, and the Payroll Agency Account are audited. The specific focus of this overview is on the district's Fund Balance. Fund Balance for governmental entities is analogous to the Equity section of a corporate balance sheet.

The variances in the Revenues and Expenditures sections of the ACFR are combined at year end closing into the district's fund balance (surplus) to determine the new level of fund balance. The district strives to maintain a surplus that protects cash flow, maintains tax rate stability, and provides adequate funds in the case of emergencies.

Surplus /Fund balance is used to protect cash flow in times when revenue collections are untimely. Untimely revenue collections can occur due to late tax payments or late state aid payments. In times of late revenue payments to the district, the district uses its surplus on a temporary basis to pay obligations until it receives its current revenue.

The district's undesignated surplus approximates one of the district's 24 annual payroll obligations. For example, a typical payroll in the audit year amounted to \$1,900,000. At the conclusion of the school year, the district's Undesignated/Unreserved Surplus was \$3,084,470. The district had no "Excess Surplus".

In summary, the ending surplus within the audit year allowed for investments in the physical plant through deposits into reserve accounts. The surplus was also used to offset tax levy in the future budget. Furthermore, the undesignated, unreserved, surplus remains at a level sufficient to offset negative cash flow associated with delayed tax collections and delayed state aid payments.

### **D. Analysis of Balances and Transactions of Individual Funds.**

Below is a condensed five-year history of actual expenditures by Program within the General Operating Budget. The General Operating Budget represents the operating expenditures of the district. The below schedule is presented in the budgetary format and is condensed to make the information more meaningful to the reader. The two other significant funds are the Special Revenue Fund and the Debt Service Fund. The below analysis focuses on the General Fund and corresponds to Schedule C of the audit. Debt Service Administration is addressed in a separate section of the MD&A. As noted in Section C of this discussion the district completed the year with favorable balances in both the Revenue and Appropriations sides of the ledger. Section C discussed Budgeted to Actual with respect to overall appropriation variances. The illustration below shows a Historical expenditure trend and variance between audit and pre-audit years.

The favorable balances above were not derived via material variances in any single budget line item. It is therefore more advantageous to review the trends over time as follows:

PROGRAM PURCHASED CONDENSED SUMMARY	ACTUAL 18/19	ACTUAL 19/20	ACTUAL 20/21	ACTUAL 21/22	ACTUAL 22/23	VARIANCE DOLLAR	CHANGE PERCENT
Regular Education	26,388,131	26,710,813	26,641,148	28,117,302	29,045,378	928,076	3%
Special Education	14,442,843	15,069,284	15,164,241	15,361,859	16,347,281	985,422	6%
Health/Media/Attendance	2,089,085	2,076,622	1,982,683	2,111,206	2,143,158	31,952	2%
Admin., Tech., Legal, Ins.	4,560,250	4,806,120	4,869,580	5,128,138	5,333,114	204,976	4%
Security, Maint., Utilities	7,334,261	7,115,018	6,943,676	7,390,927	8,320,922	929,995	13%
Employee Benefits	11,209,753	13,032,397	12,851,390	12,603,424	13,095,307	491,883	4%
Transportation	3,933,797	3,403,113	3,227,028	4,461,922	5,120,796	658,874	15%
Capital/Misc. F/S	1,032,673	331,749	1,248,304	558,957	2,687,685	2,128,728	381%
<b>TOTAL PROGRAMS</b>	<b>\$ 70,990,792</b>	<b>\$ 72,545,117</b>	<b>\$ 72,928,050</b>	<b>\$ 75,733,735</b>	<b>\$ 82,093,641</b>	<b>\$ 6,359,906</b>	<b>8%</b>

**NOTE: The reader may reconcile the district records (Expenditure table above) to Schedule C of the audit.**

**Regular Instruction**, typically driven by salaries, increased by 3% in the audit year, the increase was significantly influenced by direct compensation for salaried staff, substitute teachers, and guidance services. This change may be found by analyzing the "C Schedules".

**Special Education** and Out of District Tuition (Also a form of Special Education) increased by 6%. The increase in special education costs were primarily due to staffing costs. This category also includes direct instruction as well as support services such as 1:1 student assistants, child study team services, occupational therapy, physical therapy, speech, nursing services (IEP driven). Not included are employee health benefits and transportation cost.

**Health/Media and Attendance** is primarily driven by salaries. The primary cost driver in this area for the audit year were third party health services, and internal salary costs for services provided to students. Health "services" are typically services provided by third party nursing agencies.

**Administration** includes General Administration, School Administration, Central Services (Business and Personnel), and District-wide Technology. The variance for these areas combined, year over year, was 4%. This change is detailed in Schedule C of the audit. Direct compensation accounted for the majority of the year over year increases. Also notable were increases in legal and insurance costs.

**Grounds Care/Maintenance/Security** has a 13% change in expenditure year over year. This increase is primarily due to various "Required Maintenance" activities designed to protect and extend the life of the district's physical plant assets. "Required Maintenance" activities often support HVAC, Plumbing, Electrical, Security, and building envelope improvements and maintenance. Please see "Required Maintenance" in Schedule C of the audit.

**Employee Benefits** expenditures representing health insurance, social security, pension costs, sick leave payout, workers compensation, and other miscellaneous increased at a rate of 4%. The increase is attributable to increases from the Public Employee's Retirement System, Social Security, and Health Benefits.

**Transportation** increased by 15%. These costs were driven by substantial increases in costs, and increases in special education costs/services. Details of the cost increases may be found in the ACFR, Schedule "C".

**Capital Outlay** represents non-recurring expenditures and the reader should not evaluate this item for trends. These expenditures are primarily funded through withdrawals from the district's Capital Reserve account and therefore do not impact tax levy or the budget cap. For the audit year, the costs associated with this category were driven by Paving Projects, and the Slackwood School Roof Replacement Project.



**CONDENSED REVENUES:**

Below is a comparison of revenue between the audit year and pre-audit year. The focus of the comparison is on the General Operating Account (General Fund). The General Fund supports the majority of district initiatives and the revenue contained within supports the General Operating Budget. The other significant funds, not analyzed below, but contained in the ACFR, are the Special Revenue Fund and Debt Service Fund. Details for these funds can be found within the ACFR in the audit section. It is very important to focus attention on the General Fund and particularly on how the revenue is presented below. The revenue schedule below is an actual revenue schedule available for spending and not modified for accounting purposes. The purpose of the presentation is to represent revenue for the purpose of the typical reader.

GENERAL OPERATING ACCOUNT REVENUE ANALYSIS	ACTUAL 18/19	ACTUAL 19/20	ACTUAL 20/21	ACTUAL 21/22	ACTUAL 22/23	VARIANCE DOLLARS	PERCENT CHANGE
Local Revenue in General Fund:							
Tax Levy	66,556,034	68,278,342	69,751,246	70,953,686	72,565,345	\$ 1,611,659	2%
Tuition Revenue	31,883	41,607	27,905	32,328	32,957	\$ 629	2%
Interest and Misc. Revenue	846,412	784,427	308,150	687,363	633,574	\$ (53,789)	-8%
Local Revenue:	\$ 67,434,329	\$ 69,104,377	\$ 70,087,301	\$ 71,673,377	\$ 73,231,876	\$ 1,558,499	2%
State and Federal Revenue in General Fund:							
Transportation Aid	1,102,884	1,102,884	1,102,884	1,102,884	1,236,076	\$ 133,192	12%
Extraordinary Aid	555,345	654,633	1,111,776	888,780	1,505,485	\$ 616,705	69%
Special Education Aid	2,423,722	2,695,812	2,836,887	3,467,332	3,722,139	\$ 254,807	7%
Security Aid	421,512	421,512	421,512	421,512	690,856	\$ 269,344	64%
Supplemental Transportation Aid	111,737	33,799	120,640	98,691	108,156	\$ 9,465	10%
Other	-	-	-	103,090	109,105	\$ 6,015	6%
Per Pupil Growth Aid	-	-	-	-	-	\$ -	0%
Professional Learning Communities	-	-	-	-	-	\$ -	0%
SEMI	34,467	30,335	24,029	53,349	81,335	\$ 27,986	52%
State and Federal Revenue	\$ 4,649,667	\$ 4,938,975	\$ 5,617,728	\$ 6,135,638	\$ 7,453,152	\$ 1,317,514	21%
<b>TOTAL GENERAL OPERATING REVENUE</b>	<b>\$ 72,083,996</b>	<b>\$ 74,043,352</b>	<b>\$ 75,705,029</b>	<b>\$ 77,809,015</b>	<b>\$ 80,685,028</b>	<b>\$ 2,876,013</b>	<b>4%</b>

**Local Revenue** in the General Operating Account is primarily made up of tax levy. Tax levy is the major funding source within the General Operating Account. Tax levy receipts increased by \$1,558,499 representing a 2% increase. The other local revenues include interest, prior year refunds, and tuition.

**State and Federal Revenue** in the General Operating Account is primarily made up of state aid. Due to changes in the funding formula and distribution of state aid, Lawrence Township Public Schools is experiencing an increase in aid. Of the aid received, Extraordinary Aid, Supplemental Transportation Aid, and "Other Aid" should be considered "one time" aid. The district does not budget this "one time" aid; instead, this aid is allowed to lapse into Fund Balance from which it is budgeted as revenue and used as tax relief in subsequent years.

**NOTE:** Please note that the State of New Jersey changed the funding formula thereby making some forms of aid obsolete. These categories show no revenue.

**E. Analysis of significant variations within the General Fund**

This analysis references schedule C-1 of the audit section of the ACFR. Specific attention is paid to the ending balances in the General Fund revenue and appropriations schedules.

Audit Schedule C-1 compares Original Budgeted Revenue to Final Budgeted Revenue compared with Actual Revenue. The Budget to Actual variance was a positive due to additional unexpected Extraordinary Aid and Transportation Aid. The Final Budget to Actual variance is primarily the result of non-cash transactions expended by the State of New Jersey but recorded on the district's financial statement. These types of transactions include the Teacher's

Pension and Annuity Fund and Social Security for TPAF participants. Detailed variances for both Revenue and Expenditures are discussed in Section D.

#### **F. Capital Asset and Debt Administration**

The district has a separate fund (budget) entitled Repayment of Debt for the purpose of tracking long term debt liabilities. On June 30, 2023, the School District had \$26,050,000 in outstanding debt. The following issues remain open until their respective maturity dates:

Referendum	Balance Remaining	Maturity
Technology Paid off (retired)	Paid off (retired)	2013
Early Retirement	Paid off (retired)	2016
Windows, Roofs, Asbestos	Paid off (retired)	2017
Alterations and Additions	Paid off (retired)	2023
Photovoltaic Installation	\$4,145,000.00*	2028 (Debt has been refinanced)
HVAC/Safety/Elevator	\$21,905,000.00*	2034

\* The district receives Debt Service Aid on these projects in the amount of 40% of the principal and interest.

Note: Readers are referred to the Financial Notes and Introduction Letter for more detail.

#### **H. A description of currently known facts that effect financial position**

##### ***Grants and Cooperative Relationships-***

In addition to the financial concerns of the district, the district also endeavors to cooperate with partners for the sharing of expertise in all areas of education. Lawrence Township Public Schools has partnerships with Rider University, The College of New Jersey, Educational Testing Services, Carolina Biological, All Mercer County School Districts, DuPont, Clemson University, Princeton University, Bristol Meyers Squibb, Eggerts Crossing Village, and the Lawrence Neighborhood Service Center.

Coupled with the endeavors undertaken with the partners listed, are the variety of grants issued to the school district by the Lawrence Township Education Foundation. Annually the Lawrence Township Education Foundation provides seed money for special projects. Annually, the district receives in excess of \$100,000.00 from the foundation. The foundation continues to contribute to the effectiveness of our district by funding opportunities for our teachers to explore instructional and affective skills projects for the benefit of Lawrence Township Public Schools and the community of Lawrence Township.

##### **Business-Type Activities: Enterprise Funds**

The Lawrence Township Public Schools aggressively pursues the use of Enterprise Funds to offset increasing reliance on local taxes to underwrite district programs. Enterprise funds are business ventures conducted by the school district. Each enterprise is a fee-based program/service provided by the district. The intent of each program is to provide a service for a given fee. Each enterprise undertaken provides a primary service to the customer and supports the district's mission. As such, the district channels all profits from enterprise funds back into each specific program in a manner which will benefit the program and the schools as a whole. Enterprise funds may not report a material profit. Given this constraint to "breakeven", the school district makes the reinvestment of anticipated profit at year end thereby showing little profit or net assets for the reportable period ending June 30.

The reader of this schedule is encouraged to read more deeply into the Board Secretary's Reports, specifically the Budget Reports with Purchase Order detail, to appreciate the full measure of service these enterprises provide.

As reported in Exhibit B-5, the District's business-type activities were comprised of charges for services and federal and state reimbursements. Revenue of Business Type activities directly offsets the need to raise property taxes. The reader of this section of the audit (Exhibit B-5) should be careful to note that while the audit contains a line for

“Operating Income (Loss)”, it does not contain a line for “Budgeted Fund Balance” which, in all cases for Lawrence Township Public Schools, offsets any loss.

The most reliable method of reading Exhibit B is to focus on the bottom line, Net Position.

Source: Audit Exhibit B-5

### **Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District. This figure includes secretarial staff.

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

Curriculum and staff development include expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities include expenses related to student activities provided by the School District which are designed 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.

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

Other includes unallocated depreciation and amortization.

### **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, please contact Thomas Eldridge, Business Administrator, 2565 Princeton Pike, Lawrenceville, NJ 08648 or via email to [TEldridge@ltps.org](mailto:TEldridge@ltps.org). Telephone calls are welcome at 609-671-5420.

### **Notes to Financial Statements**

The Notes to Financial Statements section of the ACFR provides critical information necessary to understand the entire report. The notes explain the board of education’s fund structure, controls on expenditures, form of accounting, and definitions of terms found with the report.

The Notes to Financial Statements also provide detailed information concerning key figures within the audit, for example, to learn more about outstanding debt, the reader may refer to Note 3. To learn more about Fund Balance, the reader should refer to Note 10 and Note 11.

The Notes to Financial Statements also provide the reader with explanations of how assets and liabilities are calculated, for example, the reader should refer to Note 4 to understand how pension liabilities are reported.

It is crucial that the reader of these audit documents refer to the interim financial reports presented in the form of the Board Secretary's Report which can be found online at [www.ltps.org](http://www.ltps.org).

### **Statistical Section**

The Statistical Section of the Annual Comprehensive Financial Report is dedicated to providing the reader with contextual information necessary to interpret the Financial and Notes sections. The Statistical Section's format and contents are prescribed. The data contained in the Statistical Section is unaudited. The sources of the information for each "schedule" in the Statistical Section is noted on the respective schedule.

Financial Trends: These schedules show changes in net position from the perspective of balance sheets and budgetary activities. Users of this data are cautioned to read Exhibits B and C as compliments to the J Schedules. The "basis" of accounting used within these schedules and exhibits requires inclusion of some items that are never transacted during the course of business such as the State of New Jersey's share of Social Security and Pension Costs.

J-1 Net Assets by Component

J-2 Changes in Net Assets

J-3 Fund Balances-Governmental Funds

J-4 Changes in Fund Balances-Governmental Funds

J-5 General Fund Other Local Revenue by Source

Revenue Capacity: These schedules analyze the district's largest source of revenue, property taxes. The schedules identify the base of taxable property upon which levies are made. The schedules also identify the entities that levy taxes and how the levies, and ratable base, have changed over time.

J-6 Assessed Value and Estimated Actual Value of Taxable Property

J-7 Direct and Overlapping Property Tax Rates

J-8 Principal Property Taxpayers

J-9 Property Tax Levies and Collections

Debt Capacity: These schedules provide a ten-year history of long-term debt balances (principal), the district's ability to issue debt, and the history of other taxing entities that issue debt within Lawrence Township.

J-10 Ratios of Outstanding Debt by Type

J-11 Ratios of General Bonded Debt Outstanding

J-12 Direct and Overlapping Governmental Activities Debt

J-13 Legal Debt Margin Information

Demographic and Economic Information: These schedules provide information concerning income, employment, and unemployment.

J-14 Demographic and Economic Status

J-15 Principal Employers

Operating Information: These schedules provide information concerning trends in number of employees and types of positions, student attendance, building size, maintenance expenditures, and different types of insurance coverages.

J-16 Full-time Equivalent District Employees by Function/Program

J-17 Operating Statistics

J-18 School Building Information

J-19 Schedule of Allowable Maintenance Expenditures by School Facility  
J-20 Insurance Schedule

**Questions:** Readers are encouraged to contact Thomas Eldridge, School Business Administrator, with any questions they may have. Mr. Eldridge may be reached at 609-671-5420 or via email at [TEldridge@ltps.org](mailto:TEldridge@ltps.org).

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit A-1

**JUNE 30, 2023**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 1,894,671	834,462	2,729,133
Receivables, Net	3,035,809	88,755	3,124,564
Inventory		118,194	118,194
Restricted Assets:			
Cash and Cash Equivalents	19,544,180	540,000	20,084,180
Capital Assets-Non-Depreciable	32,622,900		32,622,900
Capital Assets-Depreciable-Net	87,605,776	173,110	87,778,886
Total Assets	<u>144,703,336</u>	<u>1,754,521</u>	<u>146,457,857</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>2,682,639</u>		<u>2,682,639</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>3,160,692</u>		<u>3,160,692</u>
<b><u>Liabilities</u></b>			
Accounts Payable	1,626,071	333,681	1,959,752
Deposits Payable - Employee Benefits		540,000	540,000
Payroll Deductions and Withholdings	2,187,611		2,187,611
Accrued Interest	297,154		297,154
Deferred Revenue	820,166		820,166
Noncurrent Liabilities:			
Due Within One Year	2,520,000		2,520,000
Due Beyond One Year	41,228,113		41,228,113
Total Liabilities	<u>48,679,115</u>	<u>873,681</u>	<u>49,552,796</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	94,178,676	173,110	94,351,786
Restricted For:			
Debt Service	248,690		248,690
Special Revenue	278,675		278,675
Capital Projects	5,731,310		5,731,310
Other Purposes	10,830,338		10,830,338
Unrestricted	<u>(15,721,521)</u>	<u>708,730</u>	<u>(15,012,791)</u>
Total Net Position	<u>\$ 95,546,168</u>	<u>881,840</u>	<u>96,428,008</u>

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



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit A-2

Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

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

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 21,721,973			(21,721,973)		(21,721,973)
Special Education	11,940,820		3,695,295	(8,245,525)		(8,245,525)
Other Special Instruction	2,207,156			(2,207,156)		(2,207,156)
Other Instruction	1,397,028			(1,397,028)		(1,397,028)
Support Services:						
Tuition	4,188,228	32,957		(4,155,271)		(4,155,271)
Student & Instruction Related Services	10,825,705		1,149,393	(9,676,312)		(9,676,312)
School Administrative Services	4,423,736			(4,423,736)		(4,423,736)
General and Business Administrative Services	909,378			(909,378)		(909,378)
Plant Operations and Maintenance	8,320,921			(8,320,921)		(8,320,921)
Pupil Transportation	5,120,796			(5,120,796)		(5,120,796)
Unallocated Benefits	28,069,665			(28,069,665)		(28,069,665)
Capital Outlay	566,195		103,819	(462,376)		(462,376)
Transfer to Charter School	99,594			(99,594)		(99,594)
Interest on Long-Term Debt	841,072			(841,072)		(841,072)
Unallocated Depreciation	2,617,550			(2,617,550)		(2,617,550)
<b>Total Government Activities</b>	<b>103,249,817</b>	<b>32,957</b>	<b>4,948,507</b>	<b>(98,268,353)</b>	<b>-</b>	<b>(98,268,353)</b>
Business-Type Activities:						
Proprietary Funds	1,876,769	876,193	1,075,145		74,569	74,569
<b>Total Business-Type Activities</b>	<b>1,876,769</b>	<b>876,193</b>	<b>1,075,145</b>	<b>-</b>	<b>74,569</b>	<b>74,569</b>
<b>Total Primary Government</b>	<b>105,126,586</b>	<b>909,150</b>	<b>6,023,652</b>	<b>(98,268,353)</b>	<b>74,569</b>	<b>(98,193,784)</b>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

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

Exhibit A-2  
Sheet 2 of 2

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Revenues:			
Taxes			
Property Taxes, Levied for General Purpose, Net	72,565,345		72,565,345
Taxes Levied for Debt Service	4,072,367		4,072,367
Federal and State Aid Not Restricted	25,888,932		25,888,932
Miscellaneous Income	910,175	(11,017)	899,158
Total General Revenues, Special Items, and Transfers	<u>103,436,819</u>	<u>(11,017)</u>	<u>103,425,802</u>
 Change in Net Position	5,168,466	63,552	5,232,018
 Net Position - Beginning	<u>90,377,702</u>	<u>818,288</u>	<u>91,195,990</u>
 Net Position - Ending	<u>\$ 95,546,168</u>	<u>881,840</u>	<u>96,428,008</u>

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

**FUND FINANCIAL STATEMENTS – B**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit B-1

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents-Restricted	\$ 13,017,949	364,569	6,149,001	12,661	19,544,180
Cash and Cash Equivalents-Unrestricted	1,894,671				1,894,671
Receivables - Other	54,251				54,251
Receivables - State	1,613,391	16,160			1,629,551
Receivables - Federal		1,352,007			1,352,007
Interfund Receivable				236,029	236,029
<b>Total Assets</b>	<b><u>\$ 16,580,262</u></b>	<b><u>1,732,736</u></b>	<b><u>6,149,001</u></b>	<b><u>248,690</u></b>	<b><u>24,710,689</u></b>
<b><u>Liabilities and Fund Balance</u></b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 810,514	633,895	181,662		1,626,071
Payroll Deductions and Withholdings	2,187,611				2,187,611
Interfund Payable			236,029		236,029
Deferred Revenue		820,166			820,166
<b>Total Liabilities</b>	<b><u>2,998,125</u></b>	<b><u>1,454,061</u></b>	<b><u>417,691</u></b>	<b><u>-</u></b>	<b><u>4,869,877</u></b>
<b>Fund Balance:</b>					
<b>Restricted for:</b>					
<b>Committed To:</b>					
Maintenance Reserve	1,302,310				1,302,310
Emergency Reserve	493,496				493,496
Capital Reserve Account	3,260,122				3,260,122
Unemployment	612,424				612,424
Student Activity Funds		247,052			247,052
Scholarship Funds		31,623			31,623
<b>Assigned To:</b>					
Excess Surplus - Designated for Subsequent Year's Expenditures	865,648				865,648
Other Purposes	1,630,191		384,005		2,014,196
Designated By The BOE for Subsequent Year's Expenditures	2,666,147			12,660	2,678,807
Capital Projects Fund			5,347,305		5,347,305
Debt Service Fund				236,030	236,030
<b>Unassigned:</b>					
General Fund	2,751,799				2,751,799
<b>Total Fund Balances</b>	<b><u>13,582,137</u></b>	<b><u>278,675</u></b>	<b><u>5,731,310</u></b>	<b><u>248,690</u></b>	<b><u>19,840,812</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 16,580,262</u></b>	<b><u>1,732,736</u></b>	<b><u>6,149,001</u></b>	<b><u>248,690</u></b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$182,654,552 and the accumulated depreciation is \$62,425,876.	120,228,676
Accrued Interest	(297,154)
Deferred outflow of resources - contributions to the pension plan	2,682,639
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(3,160,692)
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	(43,748,113)
<b>Net Position of governmental activities</b>	<b><u>\$ 95,546,168</u></b>

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit B-2

Sheet 1 of 2

**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>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 72,565,345			4,072,367	76,637,712
Tuition Charges	32,957				32,957
Miscellaneous	633,573	1,333,061	236,029		2,202,663
Total Local Sources	73,231,875	1,333,061	236,029	4,072,367	78,873,332
State Sources	24,962,665	1,077,805		844,931	26,885,401
Federal Sources	81,336	2,578,214			2,659,550
Total Revenues	98,275,876	4,989,080	236,029	4,917,298	108,418,283
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	21,721,973				21,721,973
Special Education Instruction	8,245,525	3,695,295			11,940,820
Other Special Instruction	2,207,156				2,207,156
Other Instruction	1,397,028				1,397,028
Support Services and Undistributed Costs:					
Tuition	4,188,228				4,188,228
Student and Instruction Related Services	9,676,312	1,149,393			10,825,705
General Administrative Services	909,378				909,378
School Administrative Services	4,423,736				4,423,736
Plant Operations and Maintenance	8,320,921				8,320,921
Pupil Transportation	5,120,796				5,120,796
Unallocated Benefits	30,652,184				30,652,184
Transfer of Funds to Charter Schools	99,594				99,594
Debt Service:					
Principal				4,162,000	4,162,000
Interest and Other Charges				862,387	862,387
Capital Outlay	2,687,685	103,819	1,338,454		4,129,958
Total Expenditures	99,650,516	4,948,507	1,338,454	5,024,387	110,961,864

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**Exhibit B-2  
Sheet 2 of 2**

**GOVERNMENTAL FUNDS**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,374,640)	40,573	(1,102,425)	(107,089)	(2,543,581)
Other Financing Sources (Uses):					
Transfer from Capital Projects to Debt Service	-	-	(236,029)	236,029	-
Total Other Financing Sources (Uses)	-	-	(236,029)	236,029	-
Net Change in Fund Balances	(1,374,640)	40,573	(1,338,454)	128,940	(2,543,581)
Fund Balance - July 1	14,956,777	238,102	7,069,764	119,750	22,384,393
Fund Balance - June 30	<u>\$ 13,582,137</u>	<u>278,675</u>	<u>5,731,310</u>	<u>248,690</u>	<u>19,840,812</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ (2,543,581)
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.		
Capital Outlay	3,563,763	
Depreciation Expense	<u>(2,617,550)</u>	
		946,213
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		4,162,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		344,028
Pension Related Deferrals		5,522,835
Net Pension Liability		(3,280,655)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due. The accrued interest is an addition in the reconciliation.		21,316
Compensated Absences		<u>(3,689)</u>
Change in Net Position of Governmental Activities		<u>\$ 5,168,467</u>

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit B-4

**PROPRIETARY FUNDS****JUNE 30, 2023**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities- Internal Service Fund</b>	<b>Totals</b>
<b><u>Assets</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 834,462	540,000	1,374,462
Accounts Receivable:			
State	10,576		10,576
Federal	53,936		53,936
Other	24,243		24,243
Inventory	118,194		118,194
Total Current Assets	<u>1,041,411</u>	<u>540,000</u>	<u>1,581,411</u>
Noncurrent Assets:			
Equipment	522,915		522,915
Accumulated Depreciation	(349,805)		(349,805)
Total Noncurrent Assets	<u>173,110</u>	<u>-</u>	<u>173,110</u>
Total Assets	<u>\$ 1,214,521</u>	<u>540,000</u>	<u>1,754,521</u>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Accounts Payable	\$ 333,681		333,681
Deposits Payable		540,000	540,000
Total Liabilities	<u>\$ 333,681</u>	<u>540,000</u>	<u>873,681</u>
<b><u>Net Position</u></b>			
Investment in Capital Assets	\$ 173,110		173,110
Unrestricted	708,730		708,730
Total Net Position	<u>\$ 881,840</u>	<u>-</u>	<u>881,840</u>

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



STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2023

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>	<u>Total</u>
Operating Revenues:			
Local Sources:			
Daily Sales Reimbursable Programs	\$ 608,937		608,937
Daily Sales Non-Reimbursable Programs	182,944		182,944
Fees	84,312		84,312
Total Operating Revenues	<u>876,193</u>	<u>-</u>	<u>876,193</u>
Operating Expenses:			
Salaries & Benefits	627,079		627,079
Supplies and Materials	206,652		206,652
Repairs	44,130		44,130
Miscellaneous	108,696		108,696
Cost of Sales-Reimbursable Programs	589,777		589,777
Cost of Sales-Non-Reimbursable Programs	211,830		211,830
Depreciation	38,605		38,605
Management Fee	50,000		50,000
Total Operating Expenses	<u>1,876,769</u>	<u>-</u>	<u>1,876,769</u>
Operating Income (Loss)	<u>(1,000,576)</u>	<u>-</u>	<u>(1,000,576)</u>
Non-Operating Revenues:			
Contributions - General Fund			
State Sources:			
State School Lunch Program	31,726		31,726
State Breakfast Program	2,004		2,004
Federal Sources:			
National School Lunch Program	620,533		620,533
HHFKA Program	22,626		22,626
School Breakfast Program	69,653		69,653
Supply Chain Grant	175,219		175,219
Commodities	153,384		153,384
Total Non-Operating Revenues	<u>1,075,145</u>	<u>-</u>	<u>1,075,145</u>
Net Income (Loss)	74,569	-	74,569
Adjustment for Fixed Assets	(11,017)		(11,017)
Net Position, July 1	<u>818,288</u>	<u>-</u>	<u>818,288</u>
Net Position, June 30	<u>\$ 881,840</u>	<u>-</u>	<u>881,840</u>

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

STATEMENT OF CASH FLOWSPROPRIETARY FUNDSJUNE 30, 2023

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 876,193	
Payments for Salaries	(627,079)	
Payments for Other Costs	(582,401)	
Net Cash Used By Operating Activities	<u>(333,287)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:		
Cash Received From Board Subsidy		
Cash Received From State and Federal Reimbursements	921,760	
Net Cash Provided Noncapital Financing Activities:	<u>921,760</u>	<u>-</u>
Cash Flows from Acquisition of Capital Assets:		
Cash Provided for Purchase of Equipment	(55,425)	
Net Cash Provided Noncapital Financing Activities:	<u>(55,425)</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	533,048	-
Cash and Cash Equivalents, July 1	<u>301,414</u>	<u>540,000</u>
Cash and Cash Equivalents, June 30	<u>\$ 834,462</u>	<u>540,000</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (1,000,576)	
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:		
Depreciation	38,605	
Commodities	153,384	
Decrease/(Increase) in Inventory	(47,805)	
(Increase)/Decrease in Accounts Receivable	367,759	
Increase/(Decrease) in Accounts Payable	155,346	
Net Cash Used By Operating Activities	<u>\$ (333,287)</u>	<u>-</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 1: Summary of Significant Accounting Policies**

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. The more significant of the Board's accounting policies are described below.

**A. Reporting Entity:**

The Lawrence Township School District is a Type II district located in the County of Mercer, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades PreK-12.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government 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

**B. Government-Wide Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the local tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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.

**Proprietary Fund Type**

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

**Proprietary Fund Type**

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****D. Fund Accounting (Continued):****Fiduciary Fund Types**

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Expendable Trust Fund: An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and scholarship funds.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 are shown on Exhibit C-1.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****E. Budgets/Budgetary Control (Continued):**

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

**F. Encumbrances:**

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

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

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

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

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

**H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

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, 2023.



**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Capital Assets and Depreciation**

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District performed an in-house asset valuation during the 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2002-2003 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2003, fiscal year 2003 depreciation expense, total accumulated depreciation and book values were also provided. The records have updated annually through June 30, 2023. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:					
Capital Assets That are Not Being Depreciated:					
Land	\$ 32,622,900	_____	_____	_____	32,622,900
Total	<u>32,622,900</u>	_____	_____	_____	<u>32,622,900</u>
Depreciable Assets:					
Buildings	140,069,222	939,887			141,009,109
Machinery & Equipment	<u>4,339,022</u>	<u>2,623,876</u>	<u>2,229,315</u>	<u>(169,670)</u>	<u>9,022,543</u>
Total	<u>144,408,244</u>	<u>3,563,763</u>	<u>2,229,315</u>	<u>(169,670)</u>	<u>150,031,652</u>
Less: Accumulated Depreciation:					
Buildings	(55,571,212)	(2,259,100)			(57,830,312)
Machinery & Equipment	<u>(2,177,469)</u>	<u>(358,450)</u>	<u>(2,229,315)</u>	<u>169,670</u>	<u>(4,595,564)</u>
Total Accumulated Depreciation	<u>(57,748,681)</u>	<u>(2,617,550)</u>	<u>(2,229,315)</u>	<u>169,670</u>	<u>(62,425,876)</u>
Net Depreciable Assets	<u>86,659,563</u>	<u>946,213</u>	_____	_____	<u>87,605,776</u>
Governmental Activities Capital Assets (Net)	<u>\$ 119,282,463</u>	<u>946,213</u>	_____	_____	<u>120,228,676</u>

**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Capital Assets and Depreciation (Continued)**

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years'</u> <u>Accumulated</u> <u>Depreciation</u>	<u>Current Year</u> <u>Depreciation</u> <u>Expense</u>	<u>Adjustments</u>	<u>Retirements</u>	<u>Total</u> <u>Accumulated</u> <u>Depreciation</u>
Instruction	\$ 8,662,302	392,632	334,397	(25,450)	9,363,881
Support Services	5,774,868	261,755	222,931	(16,967)	6,242,587
Unallocated	<u>43,311,511</u>	<u>1,963,163</u>	<u>1,671,987</u>	<u>(127,253)</u>	<u>46,819,408</u>
	<u>\$ 57,748,681</u>	<u>2,617,550</u>	<u>2,229,315</u>	<u>(169,670)</u>	<u>62,425,876</u>

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Business-Type Activities:					
Equipment	\$ 913,021	55,425	(9,533)	(435,998)	522,915
Less: Accumulated Depreciation:					
Equipment	<u>(745,714)</u>	<u>(38,605)</u>	<u>(1,484)</u>	<u>435,998</u>	<u>(349,805)</u>
Business-Type Capital Assets (Net)	<u>\$ 167,307</u>	<u>16,820</u>	<u>(11,017)</u>	<u>_____</u>	<u>173,110</u>

**J. Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

**K. Deferred Revenue**

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

**L. Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 9).

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**M. Net Position**

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

*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 creditors, grantors or laws or regulations of other 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.

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

*Restricted* – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (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.

*Committed* – 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) if employed to previously commit those amounts.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****M. Net Position (Continued)**

*Assigned* – 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. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

**NOTE 2: Cash and Cash Equivalents and Investments**

Cash and cash equivalents for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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.

Investments are stated at cost, which approximates market. The District classifies 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.

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories 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. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Deposits (Continued)**

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

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

**Investments**

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or 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.

As of June 30, 2023, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 22,813,313</u>

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2023 was \$22,813,313 and the bank balance was \$24,175,974. Of the bank balance, \$500,000 was covered by federal depository insurance and \$17,543,990 was covered by a collateral pool maintained by the banks as required by New Jersey statutes; \$6,131,984 is uninsured.

**Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

FDIC	\$ 500,000
GUPDA	17,543,990
Uninsured	<u>6,131,984</u>
	<u>\$ 24,175,974</u>

As of June 30, 2023, the District did not hold any long-term investments.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Long-Term</u> <u>Portion</u>	<u>2023-24</u> <u>Payment</u>
Pension Liability	\$ 13,203,874	3,280,655		16,484,529	16,484,529	
Compensated Absences Payable	1,209,895	3,689		1,213,584	1,213,584	
Bonds Payable	<u>30,212,000</u>	<u>          </u>	<u>(4,162,000)</u>	<u>26,050,000</u>	<u>23,530,000</u>	<u>2,520,000</u>
Total	<u>\$ 44,625,769</u>	<u>3,284,344</u>	<u>(4,162,000)</u>	<u>43,748,113</u>	<u>41,228,113</u>	<u>2,520,000</u>

**A. Bonds Payable**

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

1. Refunding issue of 11-17-15 for \$6,435,000 at 2.0% to 5.0% interest with a balance of \$4,145,000 maturing 7-15-28.
2. Bond issue of 8-15-18 for \$25,105,000 at 2.0% to 3.0% interest with a balance of \$21,905,000 maturing 9-1-33.

**NOTE 3: General Long-Term Debt (Continued)**

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-2024	\$ 2,520,000	785,788	3,305,788
2024-2025	2,650,000	700,350	3,350,350
2025-2026	2,675,000	607,225	3,282,225
2026-2027	2,710,000	512,600	3,222,600
2027-2028	2,740,000	423,750	3,163,750
2028/29-2032/33	10,755,000	1,061,325	11,816,325
2033-2034	<u>2,000,000</u>	<u>30,000</u>	<u>2,030,000</u>
	<u>\$ 26,050,000</u>	<u>4,121,038</u>	<u>30,171,038</u>

**NOTE 4: Pension Plans**

**Description of Plans** – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, 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.

**Public Employees' Retirement System (PERS)** – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**NOTE 4: Pension Plans (Continued)**

**Vesting and Benefit Provisions** -- The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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 contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**Funding Policy** -- The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.



**NOTE 4: Pension Plans (Continued)****Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
<b>Funding</b>			
6/30/23	\$ 1,367,091	100%	0
6/30/22	1,284,353	100%	0
6/30/21	1,220,553	100%	0

**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
<b>Funding</b>			
6/30/23	\$ 15,045,192	100%	0
6/30/22	14,760,541	100%	0
6/30/21	11,201,069	100%	0

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$15,045,192 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,511,685 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 24.

**Public Employees' Retirement System (PERS)****Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

**NOTE 4: Pension Plans (Continued)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 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.

**Basis of Presentation**

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

**NOTE 4: Pension Plans (Continued)**

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2022 State special funding situation net pension liability amount of \$127.8 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$50.2 million, for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

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

**NOTE 4: Pension Plans (Continued)**

For the year ended June 30, 2023, the District recognized pension expense of \$1,367,091. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 118,978	104,921
Changes of Assumptions	51,074	2,468,387
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	682,280	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	463,216	587,384
District Contributions Subsequent to the Measurement Date	<u>1,367,091</u>	<u>                    </u>
Total	<u>\$ 2,682,639</u>	<u>3,160,692</u>

\$1,367,091 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending****June 30,**

2023	\$ (1,402,152)
2024	(714,349)
2025	(348,374)
2026	760,021
2027	<u>(1,670)</u>
	<u>\$ (1,706,524)</u>

**Additional Information**

Collective balances at December 31, 2022 and 2021 are as follows:

	<b><u>Dec. 31, 2022</u></b>	<b><u>Dec. 31, 2021</u></b>
Collective Deferred Outflows of Resources	\$ 2,682,639	2,338,611
Collective Deferred Inflows of Resources	3,160,692	8,683,527
Collective Net Pension Liability	16,484,529	13,203,874
District's Proportion	0.10831%	0.11028%

**NOTE 4: Pension Plans (Continued)****Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2022 were as follows:

	<u>2022</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,144,869,310	41,029,268,965	70,174,138,275
Plan Fiduciary Net Position	<u>6,758,038,264</u>	<u>25,810,084,045</u>	<u>32,568,122,309</u>
Net Pension Liability	<u>\$ 22,386,831,046</u>	<u>15,219,184,920</u>	<u>37,606,015,966</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	23.19%	62.91%	46.41%

The collective 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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 6.55%
	Based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial 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-Medial 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.

**NOTE 4: Pension Plans (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%

**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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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.

**NOTE 4: Pension Plans (Continued)****Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 21,177,791</u>	<u>16,484,529</u>	<u>12,490,374</u>

**Teachers Pensions and Annuity Fund (TPAF)****Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

The following represents the membership tiers for TPAF:

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

**NOTE 4: Pension Plans (Continued)**

Service retirement benefits of  $1/55^{\text{th}}$  of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of  $1/60^{\text{th}}$  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. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation**

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, State's pension contribution was less than the actuarial determined amount.



**NOTE 4: Pension Plans (Continued)****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.

**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Total Pension Liability	\$ 76,317,117,835	74,699,133,697
Plan Fiduciary Net Position	<u>24,640,530,532</u>	<u>26,533,142,515</u>
Net Pension Liability	<u>\$ 51,676,587,303</u>	<u>48,165,991,182</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%

**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2022</u>	<u>2021</u>
District's Liability	<u>\$ 147,823,523</u>	<u>138,344,400</u>
District's Proportion	.28606%	.28722%

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense (benefit) as follows:

Year Ending June 30:	
2023	\$ (7,605,706)
2024	(10,938,069)
2025	(9,585,999)
2026	(4,317,646)
2027	(4,713,410)
Thereafter	<u>(4,827,815)</u>
Total	<u>\$ (41,988,645)</u>

**NOTE 4: Pension Plans (Continued)**

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

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

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.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%

**NOTE 4: Pension Plans (Continued)****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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>173,326,222</u>	<u>147,823,523</u>	<u>126,340,704</u>
	<u>\$ 173,326,222</u>	<u>147,823,523</u>	<u>126,340,704</u>

**NOTE 5: Post-Retirement Benefits****General Information about the OPEB Plan****Plan description and benefits provided**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit 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 Pension*. 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.

**NOTE 5: Post-Retirement Benefits (Continued)**

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

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

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Additional information on Pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).

**Total OPEB Liability**

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 20, 2021, with 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:

Total OPEB Liability     \$50,646,462,966

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75% – 4.25% based on years of service	2.75% - 6.55% based on years of service	3.25% - 16.25% based on years of service

**NOTE 5: Post-Retirement Benefits (Continued)**

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.

***(a) 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%.

***(b) Discount Rate***

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

Changes in the total OPEB Liability reported by the State of New Jersey:

	<b>Total <u>OPEB Liability</u></b>
Balances at June 30, 2021	\$ 60,007,650,970
Changes for the Year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Change of Benefit Terms	
Difference Between Expected and Actual Experience	1,399,200,736
Changes in Assumptions or Other Inputs	(13,586,368,097)
Member Contributions	42,650,252
Benefit Payments	<u>(1,329,476,059)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

**NOTE 5: Post-Retirement Benefits (Continued)**

There were no changes in benefit terms between the June 30, 2021 measurement date and the June 30, 2022 measurement date.

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease</b> <b><u>(2.54%)</u></b>	<b>Discount Rate</b> <b><u>(3.54%)</u></b>	<b>1% Increase</b> <b><u>(4.54%)</u></b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 59,529,589,697</u>	<u>50,646,462,966</u>	<u>43,527,080,995</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 41,862,397,291</u>	<u>50,646,462,966</u>	<u>62,184,866,635</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2022, the Board of Education recognized OPEB expense of \$4,564,631 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

**NOTE 5: Post-Retirement Benefits (Continued)**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 9,042,402,619	(15,462,950,679)
Changes in Proportion	<u>8,765,620,577</u>	<u>(17,237,289,230)</u>
Total	<u>\$ 17,808,023,196</u>	<u>(32,700,239,909)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

**NOTE 6: 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:

Equitable  
Lincoln  
Met Life  
Valic  
Legend

**NOTE 7: Risk Management**

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

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, 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 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 year and previous year:

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2022-2023	\$ 0	0	0	612,424
2021-2022	0	0	0	612,424
2020-2021	0	0	0	612,424

**NOTE 8: Capital Reserve Account**

A capital reserve account was established by the Township of Lawrence Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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



**NOTE 8: Capital Reserve Account (Continued)**

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		\$ 2,977,518
Deposits:		
Interest	42,516	
Return of Funds From Various Projects	373,988	
Deposit by Resolution June, 2023	<u>500,000</u>	
		<u>916,504</u>
		3,894,022
Withdrawals:		
Budgeted		<u>633,900</u>
Ending Balance, June 30, 2023		<u>\$ 3,260,122</u>

**NOTE 9: Interfund Receivables and Payables**

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Capital Projects Fund	\$	236,029
Debt Service Fund	<u>236,029</u>	_____
	<u>\$ 236,029</u>	<u>236,029</u>

The interfund due to the Debt Service Fund was due to interest earned in the Capital Projects Fund. It is expected this loan will be paid within one year.

**NOTE 10: Fund Balance Appropriated**

**General Fund** – Of the \$13,914,808 General Fund fund balance at June 30, 2023 \$1,630,191 is reserved for encumbrances; \$2,666,147 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$3,260,122 is in Capital Reserve, \$493,496 is in Emergency Reserve, \$1,302,310 is in Maintenance Reserve; \$3,084,470 is unreserved and undesignated; \$612,424 is unemployment; and \$865,648 is excess surplus – current year.

**NOTE 11: Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget.

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2023-2024 budget and expended there from.

**NOTE 11: Calculation of Excess Surplus (Continued)**

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Lawrence Township at June 30, 2023 had excess surplus of \$0 (see calculation below).

Unreserved is surplus not previously committed or reserved for any other purpose.

The calculation of reserved excess surplus is as follows:

**2% Calculation of Excess Surplus**

2022-23 Total General Fund Expenditures Per the ACFR	\$ 99,650,516
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(17,556,877)</u>
Adjusted 2022-23 General Fund Expenditures	<u>\$ 82,093,639</u>
2% of Adjusted 2022-23 General Fund Expenditures	\$ 1,641,873
Increased by: Allowable Adjustment	<u>1,613,641</u>
Maximum Unassigned Fund Balance	<u>\$ 3,255,514</u>

**Section 2**

Total General Fund -- Fund Balance @ 6-30-23	\$ 13,914,808
Decreased by:	
Reserved for Encumbrances	(1,630,191)
Designated for Subsequent Year's Expenditures -- BOE	(2,666,147)
Designated for Subsequent Year's Expenditures -- Excess Surplus	(865,648)
Unemployment	(612,424)
Other Reserves	<u>(5,055,928)</u>
Total Unassigned Fund Balance	<u>\$ 3,084,470</u>
Excess Surplus	<u>\$ 0</u>

**Section 3**

Excess Surplus -- Current Year	\$
Designated for Subsequent Years Expenditures -- Excess Surplus	<u>865,648</u>
	<u>\$ 865,648</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 1,505,485
Non-Public Transportation Aid	<u>108,156</u>
	<u>\$ 1,613,641</u>

**NOTE 11: Calculation of Excess Surplus (Continued)****Detail of Other Restricted Fund Balance**

Maintenance Reserve	\$ 1,302,310
Emergency Reserve	493,496
Capital Reserve	<u>3,260,122</u>
Total Other Restricted Fund Balance	<u>\$ 5,055,928</u>

**NOTE 12: Section 125 IRS Code (Cafeteria Plan)**

Effective 10/1/99 the Board, according to negotiated agreements with the various approved implementation of the IRS Code Section 125 "Cafeteria Plan", each year each employee makes an election to either receive Health Benefits under the Board's coverage or on electing not to receive benefits to receive a cash payment equal to 25% of the premium cost for the plan last in effect for the participant.

**NOTE 13: Contingent Liabilities**

The Board is not involved in any claims and lawsuits incidental to its operations, in the opinion of the administration and its legal counsel.

**NOTE 14: Economic Dependency**

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

**NOTE 15: Current Expense Emergency Reserve Account**

The reserve account is to be used to finance future unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable. The emergency reserve balance may not exceed \$250,000 or 1% of the district's general fund budget up to a maximum of \$1,000,000 whichever is greater. Withdrawals require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent.

**NOTE 16: Subsequent Event**

Subsequent events have been evaluated through January 15, 2024, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 1 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 72,565,345		72,565,345	72,565,345	-
Tuition	33,000		33,000	32,957	(43)
Interest on Investments			-	229,186	229,186
Interest on Capital Reserve	3,000		3,000	42,516	39,516
Interest on Emergency Reserve	1,000		1,000	7,924	6,924
Interest on Maintenance Reserve	1,000		1,000	14,933	13,933
Rentals	200,000		200,000	200,200	200
Miscellaneous	40,000		40,000	138,814	98,814
Total Local Sources	<u>72,843,345</u>	<u>-</u>	<u>72,843,345</u>	<u>73,231,875</u>	<u>388,530</u>
State Sources:					
Special Education Aid	3,722,139		3,722,139	3,722,139	-
Security Aid	690,856		690,856	690,856	-
Transportation Aid	1,236,076		1,236,076	1,236,076	-
Extraordinary Aid			-	1,505,485	1,505,485
Non Public Transportation Aid			-	108,156	108,156
School Security Grant		109,105	109,105	109,105	-
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	3,129,010	3,129,010
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	11,911,071	11,911,071
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	5,111	5,111
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,511,685	2,511,685
Total State Sources	<u>5,649,071</u>	<u>109,105</u>	<u>5,758,176</u>	<u>24,928,694</u>	<u>19,170,518</u>
Federal Sources:					
Medicaid Reimbursement	52,158		52,158	81,336	29,178
Total Federal Sources	<u>52,158</u>	<u>-</u>	<u>52,158</u>	<u>81,336</u>	<u>29,178</u>
Total Revenues	<u>78,544,574</u>	<u>109,105</u>	<u>78,653,679</u>	<u>98,241,905</u>	<u>19,588,226</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 2 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool	643,513	(7,524)	635,989	626,506	9,483
Kindergarten-Salaries of Teachers	1,082,393	(18,737)	1,063,656	1,056,954	6,702
Grades 1-5-Salaries of Teachers	6,774,989	230,753	7,005,742	6,987,333	18,409
Grades 6-8-Salaries of Teachers	4,243,309	29,055	4,272,364	4,266,168	6,196
Grades 9-12-Salaries of Teachers	6,269,003	7,000	6,276,003	6,199,028	76,975
Regular Programs Undistributed - Instruction:					
Other Salaries for Instruction	746,460	79,835	826,295	762,341	63,954
Purchased Professional/Educational Services	51,800	(37,443)	14,357	14,357	-
Purchased Technical Services	39,540	(8,645)	30,895	30,895	-
Other Purchased Services	55,106	(2,732)	52,374	51,368	1,006
General Supplies	1,223,750	307,541	1,531,291	1,465,052	66,239
Textbooks	141,815	(43,877)	97,938	97,938	-
Other Objects	34,800	(23,396)	11,404	11,404	-
Home Instruction:					
Teachers Salaries	35,000	25,792	60,792	60,792	-
Purchased Professional/Educational Services	32,500	58,866	91,366	90,668	698
Textbooks	1,210	(41)	1,169	1,169	-
Total Regular Programs - Instruction	<u>21,375,188</u>	<u>596,447</u>	<u>21,971,635</u>	<u>21,721,973</u>	<u>249,662</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 3 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Special Education:					
Learning and/or Language Disabilities - Moderate:					
Salaries of Teachers		129,731	129,731	129,692	39
Other Salaries For Instruction		157,882	157,882	156,892	990
Total Learning and/or Language Disabilities - Moderate	-	287,613	287,613	286,584	1,029
Emotional Regulation Impairment:					
Salaries of Teachers	211,333		211,333	211,333	-
Other Salaries For Instruction	139,357	115,471	254,828	254,609	219
Purchased Professional Education Services		20,850	20,850	12,552	8,298
General Supplies	2,500	(2,500)	-		-
Other Objects		606	606	606	-
Total Behavioral Disabilities	353,190	134,427	487,617	479,100	8,517
Multiple Disabilities:					
Salaries of Teachers	1,251,589	(380,549)	871,040	867,273	3,767
Other Salaries for Instruction	887,233	(73,293)	813,940	813,665	275
Purchased Professional Education Services		11,500	11,500	6,275	5,225
General Supplies	13,630	29,271	42,901	42,160	741
Total Multiple Disabilities	2,152,452	(413,071)	1,739,381	1,729,373	10,008
Resource Room/Resource Center:					
Salaries of Teachers	4,516,936	(104,136)	4,412,800	4,410,676	2,124
Other Salaries for Instruction	705,095	25,797	730,892	713,583	17,309
Purchased Professional Educational Services	3,150	(3,150)	-		-
General Supplies	11,092	(2,997)	8,095	8,095	-
Textbooks	550	(550)	-		-
Total Resource Room/Resource Center	5,236,823	(85,036)	5,151,787	5,132,354	19,433
Preschool Disabilities - Part-Time:					
Salaries of Teachers	27,500	(25,532)	1,968	1,968	-
Other Salaries for Instruction	21,600	(661)	20,939	20,939	-
General Supplies	500	(500)	-		-
Total Preschool Handicapped	49,600	(26,693)	22,907	22,907	-



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 4 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b>Original Budget</b>	<b>Budget Transfer</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Preschool Disabilities-Full Time					
Salaries of Teachers	313,419	(21,278)	292,141	292,141	-
Other Salaries for Instruction	367,151	(67,414)	299,737	299,580	157
General Supplies	8,250	(4,764)	3,486	3,486	-
Total Preschool Handicapped	<u>688,820</u>	<u>(93,456)</u>	<u>595,364</u>	<u>595,207</u>	<u>157</u>
Total Special Education	<u>8,480,885</u>	<u>(196,216)</u>	<u>8,284,669</u>	<u>8,245,525</u>	<u>39,144</u>
Academic Support Instruction:					
Salaries of Teachers	1,712,120	(45,881)	1,666,239	1,666,039	200
General Supplies	7,010	(2,143)	4,867	4,867	-
Total Academic Support Instruction	<u>1,719,130</u>	<u>(48,024)</u>	<u>1,671,106</u>	<u>1,670,906</u>	<u>200</u>
Bilingual Education:					
Salaries of Teachers	519,895	14,436	534,331	533,335	996
General Supplies	9,912	(6,997)	2,915	2,915	-
Textbooks	275	(275)	-	-	-
Total Bilingual Education	<u>530,082</u>	<u>7,164</u>	<u>537,246</u>	<u>536,250</u>	<u>996</u>
School Sponsored Co-Curricular Activities:					
Salaries	179,471	22,900	202,371	184,430	17,941
Other Purchased Services	37,480	(6,059)	31,421	31,016	405
Supplies and Materials	39,095	(5,429)	33,666	32,011	1,655
Other Objects	18,830	(14,918)	3,912	3,092	820
Total School Sponsored Co-Curricular Activities	<u>274,876</u>	<u>(3,506)</u>	<u>271,370</u>	<u>250,549</u>	<u>20,821</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1  
Sheet 5 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School Sponsored Athletics:					
Salaries	693,497	52,738	746,235	745,890	345
Salaries of Secretarial & Clerical	62,590		62,590	62,590	-
Other Purchased Professional Services	98,404	(9,515)	88,889	86,023	2,866
Other Purchased Technical Services	15,600	14,024	29,624	16,992	12,632
Other Purchased Services	28,630	(10,603)	18,027	17,682	345
Supplies and Materials	94,800	8,365	103,165	100,296	2,869
Other Objects	5,800	1,284	7,084	7,084	-
Total School Sponsored Athletics	<u>999,321</u>	<u>56,293</u>	<u>1,055,614</u>	<u>1,036,557</u>	<u>19,057</u>
After School Programs:					
Salaries of Teachers	106,080	(79,317)	26,763	26,763	-
Other Salaries for Instruction	34,500	4,417	38,917	38,916	1
Purchased Professional and Technical Services	54,126	(15,001)	39,125	34,606	4,519
Supplies and Materials	7,405	(6,199)	1,206	1,206	-
Total After School Programs	<u>202,111</u>	<u>(96,100)</u>	<u>106,011</u>	<u>101,491</u>	<u>4,520</u>
Summer School Programs:					
Salaries of Teachers	34,150	(25,719)	8,431	8,431	-
Total Summer School Programs	<u>34,150</u>	<u>(25,719)</u>	<u>8,431</u>	<u>8,431</u>	<u>-</u>
Total Instruction	<u>33,615,743</u>	<u>290,339</u>	<u>33,906,082</u>	<u>33,571,682</u>	<u>334,400</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 6 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - Regular	103,030	(6,730)	96,300	75,114	21,186
Tuition to Other LEA's - Special	37,800	(37,800)	-	-	-
Tuition to County Special Services - Regular	78,750	(14,688)	64,062	63,637	425
Tuition to County Special Services - Special	52,020	14,688	66,708	48,960	17,748
Tuition to CSSD & Regular Day Schools	1,647,450	398,906	2,046,356	1,973,105	73,251
Tuition to Private Schools - Within State	2,273,436	(642,255)	1,631,181	1,630,729	452
Tuition to Private Schools - Other LEA's	101,388	(3,488)	97,900	97,900	-
Tuition - State Facilities	223,024		223,024	223,024	-
Tuition to Other	64,418	11,341	75,759	75,759	-
<b>Total Instruction</b>	<b><u>4,581,316</u></b>	<b><u>(280,026)</u></b>	<b><u>4,301,290</u></b>	<b><u>4,188,228</u></b>	<b><u>113,062</u></b>
Attendance & Social Work Services:					
Salaries	261,779	(13,000)	248,779	248,367	412
Purchased Professional and Technical Services	31,591	10,016	41,607	38,702	2,905
<b>Total Attendance &amp; Social Work Services</b>	<b><u>293,370</u></b>	<b><u>(2,984)</u></b>	<b><u>290,386</u></b>	<b><u>287,069</u></b>	<b><u>3,317</u></b>
Health Services:					
Salaries	714,223	(12,198)	702,025	702,025	-
Salaries Of other Professional Staff	64,470	7,655	72,125	70,138	1,987
Other Salaries	50,919	82	51,001	51,001	-
Purchased Professional and Technical Services	80,770	59,662	140,432	129,155	11,277
Other Purchased Services	800	6,628	7,428	6,696	732
Supplies and Materials	32,260	(4,669)	27,591	21,027	6,564
<b>Total Health Services</b>	<b><u>943,442</u></b>	<b><u>57,160</u></b>	<b><u>1,000,602</u></b>	<b><u>980,042</u></b>	<b><u>20,560</u></b>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1

Sheet 7 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b>Original Budget</b>	<b>Budget Transfer</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Other Support Services - Students - Related:					
Salaries	1,310,588	(63,927)	1,246,661	1,242,131	4,530
Purchased Professional Educational Services	380,383	(135,632)	244,751	132,104	112,647
Supplies and Materials	15,450	5,788	21,238	18,791	2,447
Other Objects		2,740	2,740	2,740	-
Total Other Support Services - Student - Related	<u>1,706,421</u>	<u>(191,031)</u>	<u>1,515,390</u>	<u>1,395,766</u>	<u>119,624</u>
Other Support Services - Extraordinary:					
Salaries	466,497	(78,807)	387,690	386,817	873
Total Other Support Services - Extraordinary	<u>466,497</u>	<u>(78,807)</u>	<u>387,690</u>	<u>386,817</u>	<u>873</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	1,401,211	(3,899)	1,397,312	1,396,813	499
Salaries - Secretarial and Clerical	244,595	(12,920)	231,675	231,667	8
Other Salaries	500	4,226	4,726	1,054	3,672
Purchased Professional Educational Services		270,054	270,054	270,040	14
Purchased Professional and Technical Services		3,685	3,685	2,430	1,255
Other Purchased Services	1,755	(1,288)	467	467	-
Supplies and Materials	24,786	9,131	33,917	32,773	1,144
Other Objects	805	(705)	100	100	-
Total Other Support Services - Students - Regular	<u>1,673,652</u>	<u>268,284</u>	<u>1,941,936</u>	<u>1,935,344</u>	<u>6,592</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 8 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	1,975,178	(11,211)	1,963,967	1,963,894	73
Salaries - Secretarial & Clerical	161,557		161,557	161,556	1
Other Salaries		1	1		1
Purchased Professional Educational Services		7,319	7,319	7,069	250
Other Purchased Services	2,000	5,267	7,267	5,988	1,279
Miscellaneous Purchased Services		22,648	22,648	10,986	11,662
Supplies and Materials	46,014	12,948	58,962	45,088	13,874
Total Other Support Services - Students - Special	<u>2,184,749</u>	<u>36,972</u>	<u>2,221,721</u>	<u>2,194,581</u>	<u>27,140</u>
Improvement of Instructional Services:					
Salaries - Supervisors of Instruction	1,337,056	(60,787)	1,276,269	1,275,995	274
Salaries - Other Professional Staff	28,292	4,143	32,435	24,272	8,163
Salaries - Secretarial & Clerical	188,194	(24,257)	163,937	163,741	196
Vacation Payout		38,269	38,269	38,269	-
Purchased Professional Educational Services	500	5,511	6,011	4,607	1,404
Other Purchased Services	14,180	(4,305)	9,875	9,700	175
Supplies and Materials	7,300	(774)	6,526	6,526	-
Other Objects	17,000	(6,219)	10,781	10,781	-
Total Improvement of Instructional Services	<u>1,592,522</u>	<u>(48,419)</u>	<u>1,544,103</u>	<u>1,533,891</u>	<u>10,212</u>
Educational Media Services/School Library:					
Other Salaries for Instruction	629,350	(42,004)	587,346	587,022	324
Salaries of Technology Coordinators	136,892	5	136,897	136,897	-
Purchased Professional and Technical Services	38,800	(4,537)	34,263	30,513	3,750
Other Purchased Services	4,000	(4,000)	-		-
Supplies and Materials	118,666	2,964	121,630	121,614	16
Total Educational Media Svcs/School Library	<u>927,708</u>	<u>(47,572)</u>	<u>880,136</u>	<u>876,046</u>	<u>4,090</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1

Sheet 9 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Instructional Staff Training Services:					
Other Salaries	21,750	(5,156)	16,594	15,845	749
Purchased Professional/Educational Services		76,768	76,768	34,518	42,250
Other Purchased Services	33,900	(202)	33,698	32,011	1,687
Supplies and Materials	9,350	(5,807)	3,543	3,382	161
Other Objects		1,000	1,000	1,000	-
Total Instructional Staff Training Services	<u>65,000</u>	<u>66,603</u>	<u>131,603</u>	<u>86,756</u>	<u>44,847</u>
Support Services - General Administration:					
Salaries	359,779	(1,500)	358,279	358,130	149
Vacation Payout		1,556	1,556	1,556	-
Legal Services	120,000	(45,836)	74,164	65,369	8,795
Audit Services	23,000	(300)	22,700	22,700	-
Architectural\Engineering Services		49,916	49,916	36,815	13,101
Other Purchased Professional Services		1,771	1,771	1,615	156
Communications - Telephone	76,822	(13,928)	62,894	62,478	416
BOE- Other Purchased Services	3,100	3,000	6,100	6,057	43
Other Purchased Services	287,627	27,845	315,472	312,535	2,937
General Supplies	1,750	1,500	3,250	1,445	1,805
BOE - Supplies	3,000	1,087	4,087	3,472	615
Other Objects	11,110	2,500	13,610	10,543	3,067
BOE - Membership Dues and Fees	28,000	70,725	98,725	26,663	72,062
Total Support Services - General Administration	<u>914,188</u>	<u>98,336</u>	<u>1,012,524</u>	<u>909,378</u>	<u>103,146</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 10 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b>Original Budget</b>	<b>Budget Transfer</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Support Services - School Administration:</b>					
Salaries Principals/Assistant Principals	1,846,758	(17,000)	1,829,758	1,829,402	356
Salaries - Secretarial and Clerical	769,308	(2,055)	767,253	763,741	3,512
Vacation Payout		7,710	7,710	7,710	-
Purchased Professional and Technical Services		20,766	20,766	17,916	2,850
Other Purchased Services	14,195	(10,545)	3,650	1,750	1,900
Supplies and Materials	15,030	2,887	17,917	17,436	481
Other Objects	13,650	1,840	15,490	15,092	398
<b>Total Support Services - School Administration</b>	<b>2,658,941</b>	<b>3,603</b>	<b>2,662,544</b>	<b>2,653,047</b>	<b>9,497</b>
<b>Support Services - Central Services:</b>					
Salaries	1,088,739	8,829	1,097,568	1,097,568	-
Vacation Payout		14,195	14,195	14,195	-
Purchased Professional Services		2,000	2,000	1,080	920
Purchased Technical Services	16,000	2,951	18,951	14,319	4,632
Other Purchased Services	32,250	71,485	103,735	85,996	17,739
Supplies and Materials	8,200	32,807	41,007	27,627	13,380
Other Objects	7,590	(963)	6,627	6,627	-
<b>Total Support Services - Central Services</b>	<b>1,152,779</b>	<b>131,304</b>	<b>1,284,083</b>	<b>1,247,412</b>	<b>36,671</b>
<b>Support Services - Technology Services:</b>					
Salaries	254,075	(389)	253,686	253,686	-
Salaries of Secretarial & Clerical Assistants	50,470	10,915	61,385	61,385	-
Vacation Payout		17,324	17,324	17,324	-
Purchased Professional Services	4,500	(4,500)	-	-	-
Purchased Technical Services	72,240	2,611	74,851	73,440	1,411
Other Purchased Services	14,960	(9,751)	5,209	3,650	1,559
Supplies and Materials	87,600	34,603	122,203	113,792	8,411
<b>Total Support Services - Technology Services</b>	<b>483,845</b>	<b>50,813</b>	<b>534,658</b>	<b>523,277</b>	<b>11,381</b>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 11 of 15**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Allowance Maintenance for School Facilities:					
Salaries	436,436	20,895	457,331	453,451	3,880
Cleaning, Repair & Maintenance Services	266,335	1,630,302	1,896,637	1,266,394	630,243
General Supplies	150,203	202,910	353,113	341,343	11,770
Total Allowance Maint. For School Facilities	<u>852,974</u>	<u>1,854,107</u>	<u>2,707,081</u>	<u>2,061,188</u>	<u>645,893</u>
Operations and Maintenance of Plant Services:					
Salaries	1,681,319	(5,317)	1,676,002	1,667,938	8,064
Salaries for Secretarial & Clerical	54,590	6,300	60,890	60,748	142
Salaries - Other	1,114,266	16,236	1,130,502	1,128,941	1,561
Vacation Payout		6,210	6,210	6,210	-
Cleaning, Repair & Maintenance Services	777,000	46,730	823,730	766,578	57,152
Other Purchased Property Services	137,100	27,416	164,516	162,069	2,447
Insurance	446,432	(181,004)	265,428	265,428	-
Other Purchased Services	1,000	(1)	999	844	155
General Supplies	252,104	94,048	346,152	268,184	77,968
Energy (Electricity)	695,000	(143,388)	551,612	536,953	14,659
Energy (Natural Gas)	564,810	(74,810)	490,000	411,187	78,813
Energy (Gasoline)	13,000	13,989	26,989	26,320	669
Other Objects	9,330	(4,795)	4,535	4,413	122
Total Operations and Maint. of Plant Services	<u>5,745,951</u>	<u>(198,386)</u>	<u>5,547,565</u>	<u>5,305,813</u>	<u>241,752</u>
Maintenance of Grounds:					
Salaries		46,495	46,495	46,495	-
Cleaning, Repair and Maintenance Supplies and Materials	102,000	52,012	154,012	143,771	10,241
Total Grounds	<u>102,000</u>	<u>106,173</u>	<u>208,173</u>	<u>197,932</u>	<u>10,241</u>



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 12 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b>Original Budget</b>	<b>Budget Transfer</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Security:					
Other Salaries for Instruction	2,200	(2,200)	-		-
Other Salaries	545,146	10,454	555,600	537,530	18,070
Purchased Technical Services	151,300	29,258	180,558	180,516	42
Purchased Services		8,991	8,991	8,966	25
Supplies and Materials	15,415	13,726	29,141	28,976	165
Total Security	<u>714,061</u>	<u>60,229</u>	<u>774,290</u>	<u>755,988</u>	<u>18,302</u>
Student Transportation Services:					
Salaries - Non Instructional Aides	228,782	1,910	230,692	230,692	-
Salaries for Pupil Trans. (Home/School - Reg.)	259,703	(6,524)	253,179	253,179	-
Salaries for Pupil Trans. (Home/School - Sp. Ed)	217,245	50,000	267,245	266,557	688
Salaries for Pupil Trans. (Other Than Home/School)		23,669	23,669	23,669	-
Vacation Payout		8,997	8,997	8,997	-
Other Purchased Services	11,500	(800)	10,700	8,548	2,152
Cleaning, Repair and Maintenance Services	45,000	26,203	71,203	62,755	8,448
Bus Rental	5,000	(5,000)	-		-
Aid In Lieu	345,000	(11,194)	333,806	332,719	1,087
Contracted Services:					
(Home/School) Vendors	1,908,190	248,357	2,156,547	2,156,547	-
(Other Than Home/School) Vendors	159,425	(25,528)	133,897	130,771	3,126
(Special Education) Vendors	1,125,150	111,823	1,236,973	1,222,930	14,043
(Special Education) Joint Agreements	104,199	(85,677)	18,522	17,255	1,267
(Special Education) - ECSs & CTSA's	349,800		349,800	337,460	12,340
Miscellaneous Purchased Services	1,500	439	1,939	696	1,243
Supplies and Materials	34,125	33,113	67,238	67,171	67
Miscellaneous	2,125	(1,275)	850	850	-
Total Transportation Services	<u>4,796,744</u>	<u>368,513</u>	<u>5,165,257</u>	<u>5,120,796</u>	<u>44,461</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1**

**Sheet 13 of 15**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Unallocated Benefits:					
Social Security Contributions	1,029,641	106,119	1,135,760	1,107,742	28,018
Other Retirement Contributions- PERS	1,368,842	(1,751)	1,367,091	1,367,091	-
Other Retirement Contributions- Regular	79,475	(12,647)	66,828	66,294	534
Group Insurance	140,000	(1,142)	138,858	127,884	10,974
Workmen's Compensation	400,000	(91,171)	308,829	308,829	-
Health Benefits	9,927,552	(518,696)	9,408,856	9,297,254	111,602
Tuition Reimbursements	108,000	(29,178)	78,822	78,822	-
Sick Leave Payout	200,000	4,034	204,034	204,034	-
Other Employee Benefits	541,800	(4,439)	537,361	537,357	4
<b>Total Unallocated Benefits</b>	<b>13,795,310</b>	<b>(548,871)</b>	<b>13,246,439</b>	<b>13,095,307</b>	<b>151,132</b>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	3,129,010	(3,129,010)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	11,911,071	(11,911,071)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	5,111	(5,111)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,511,685	(2,511,685)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,556,877</b>	<b>(17,556,877)</b>
<b>Total Undistributed Expenditures</b>	<b>45,651,470</b>	<b>1,706,001</b>	<b>47,357,471</b>	<b>63,291,555</b>	<b>(15,934,084)</b>
<b>Total Expenditures - Current Expense</b>	<b>79,267,213</b>	<b>1,996,340</b>	<b>81,263,553</b>	<b>96,863,237</b>	<b>(15,599,684)</b>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 14 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Capital Outlay:					
Equipment School Sponsored\Other Instructional		22,727	22,727	22,727	-
Equipment Support Services Instruction		2,910	2,910	2,910	-
Equipment School Administration		3,894	3,894	3,894	-
Equipment Admin. Info. Technology		202,943	202,943		202,943
Equipment Required Maintenance School Facilities		235,667	235,667	41,876	193,791
Equipment Upkeep of Grounds		3,150	3,150	3,150	-
School Buses Regular		197,882	197,882	197,882	-
Total Equipment	<u>-</u>	<u>669,173</u>	<u>669,173</u>	<u>272,439</u>	<u>396,734</u>
Facilities Acquisition and Construction Services:					
Purchased Professional Technical Services		276,164	276,164	128,764	147,400
Other Purchased Professional Technical Services		1,302	1,302	1,302	-
Construction Services		2,291,401	2,291,401	2,153,316	138,085
Other Objects	131,864		131,864	131,864	-
Total Facilities Acquisition and Construction Svcs.	<u>131,864</u>	<u>2,568,867</u>	<u>2,700,731</u>	<u>2,415,246</u>	<u>285,485</u>
Total Capital Outlay	<u>131,864</u>	<u>3,238,040</u>	<u>3,369,904</u>	<u>2,687,685</u>	<u>682,219</u>
Transfer to Charter Schools	<u>140,497</u>	<u>(14,050)</u>	<u>126,447</u>	<u>99,594</u>	<u>26,853</u>
Total Expenditures	<u>79,539,574</u>	<u>5,220,330</u>	<u>84,759,904</u>	<u>99,650,516</u>	<u>(14,890,612)</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Exhibit C-1  
Sheet 15 of 15

	<b>Original Budget</b>	<b>Budget Transfer</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(995,000)	(5,111,225)	(6,106,225)	(1,408,611)	4,697,614
Fund Balance, July 1	15,323,419		15,323,419	15,323,419	
Fund Balance, June 30	\$ 14,328,419	(5,111,225)	9,217,194	13,914,808	4,697,614
Recapitulation:					
Committed Fund Balance:					
Maintenance Reserve				\$ 1,302,310	
Capital Reserve				3,260,122	
Emergency Reserve				493,496	
Excess Surplus - Designated for Subsequent Years Expenditures				865,648	
Unemployment Compensation				612,424	
Assigned Fund Balance:					
Year End Encumbrances				1,630,191	
Designated For Subsequent Years Expenditures				2,666,147	
Unassigned Fund Balance				3,084,470	
				13,914,808	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				(332,671)	
Fund Balance Per Governmental Funds (GAAP)				\$ 13,582,137	

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-2**

**Sheet 1 of 3**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**JUNE 30, 2023**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
Local Sources	\$ 1,314,046		1,314,046	1,314,046	
State Sources	1,051,265		1,051,265	1,051,265	
Federal Sources:					
Title I, Part A	299,454		299,454	299,454	
Title IIA, Part A	96,286		96,286	96,286	
Title III	15,094		15,094	15,094	
Title IV, Part A	51,306		51,306	51,306	
IDEA Part B, Basic	1,361,612		1,361,612	1,361,612	
IDEA Part B, Preschool	42,497		42,497	42,497	
ARP IDEA Part B, Basic	40,977		40,977	40,977	
ARP IDEA Part B, Preschool	7,150		7,150	7,150	
ARP ESSER	727,757		727,757	727,757	
ARP Homeless	12,347		12,347	12,347	
CRRSA ESSER II	337,006		337,006	337,006	
CRRSA Mental Health	45,000		45,000	45,000	
ACSERS	96,938		96,938	96,938	
Total Federal Sources	3,133,424	-	3,133,424	3,133,424	-
Total Revenues	5,498,735	-	5,498,735	5,498,735	-

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-2

Sheet 2 of 3

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Instruction:					
Salaries of Teachers	741,409		741,409	741,409	
Other Salaries for Instruction	324,760		324,760	324,760	
Purchased Professional Educational Services	701,685		701,685	701,685	
Other Purchased Services	1,482,904		1,482,904	1,482,904	
General Supplies	624,063		624,063	624,063	
Textbooks	75,302		75,302	75,302	
Total Instruction	<u>3,950,123</u>	<u>-</u>	<u>3,950,123</u>	<u>3,950,123</u>	<u>-</u>
Support Services:					
Employee Benefits	242,202		242,202	242,202	
Purchased Technical Services	571,407		571,407	571,407	
Other Purchased Services	232,710		232,710	232,710	
Supplies and Materials	86,933		86,933	86,933	
Other Objects	38,060		38,060	38,060	
Scholarships Awarded	5,100		5,100	5,100	
Student Activities	227,808		227,808	227,808	
Total Support Services	<u>1,404,220</u>	<u>-</u>	<u>1,404,220</u>	<u>1,404,220</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	44,514		44,514	44,514	
Non- Instructional Equipment	59,305		59,305	59,305	
Total Facilities Acquisition and Construction Services	<u>103,819</u>	<u>-</u>	<u>103,819</u>	<u>103,819</u>	<u>-</u>
Total Expenditures	<u>5,458,162</u>	<u>-</u>	<u>5,458,162</u>	<u>5,458,162</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>40,573</u>	<u>-</u>	<u>40,573</u>	<u>40,573</u>	<u>-</u>
Fund Balance, July 1				<u>238,102</u>	
Fund Balance, June 30				<u>\$ 278,675</u>	

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2  
Sheet 3 of 3

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted:					
Scholarships				\$ 31,623	
Student Activities				247,052	
				<u>278,675</u>	
Total Fund Balance				<u>\$ 278,675</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



LAWRENCE TOWNSHIP SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 98,241,905	5,498,735
Difference - budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(509,655)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	366,642	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(332,671)</u>	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 98,275,876</u>	<u>4,989,080</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 99,650,516	5,458,162
Differences - budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(509,655)</u>
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 99,650,516</u>	<u>4,948,507</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY - PERS**  
**LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.10831%	0.11028%	0.11195%	0.10919%	0.10630%	0.10890%	0.10734%	0.11034%	0.11068%	0.11009%
District's Proportionate Share of the Net Pension Liability	<u>\$16,484,529</u>	<u>13,203,874</u>	<u>18,399,468</u>	<u>19,811,570</u>	<u>20,930,226</u>	<u>25,349,019</u>	<u>31,789,555</u>	<u>24,768,344</u>	<u>20,722,846</u>	<u>21,039,735</u>
District's Covered-Employee Payroll	\$ 8,330,938	7,997,716	8,204,208	8,010,401	7,590,705	7,374,034	7,239,011	7,316,171	7,501,042	7,645,151
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	50.54%	60.57%	44.59%	40.43%	36.27%	29.09%	22.77%	29.54%	36.20%	36.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.41%	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

Exhibit L-2

**LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,284,353	1,220,553	970,535	1,052,200	1,072,726	999,094	999,094	933,333	857,919	897,866
Contributions in Relation to the Contractually Required Contribution	<u>1,284,353</u>	<u>1,220,553</u>	<u>970,535</u>	<u>1,052,200</u>	<u>1,072,726</u>	<u>999,094</u>	<u>999,094</u>	<u>933,333</u>	<u>857,919</u>	<u>897,866</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 8,330,938	7,997,716	8,204,208	8,010,401	7,590,705	7,374,034	7,239,011	7,316,171	7,501,042	7,645,151
Contributions as a Percentage of Covered-Employee Payroll	15.42%	15.26%	11.83%	13.14%	14.13%	13.55%	13.80%	12.76%	11.44%	11.74%

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY - TPAF**  
**LAST TEN FISCAL YEARS**

Exhibit L-3

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>1,487,823,523</u>	<u>138,344,400</u>	<u>186,297,733</u>	<u>170,862,612</u>	<u>174,159,322</u>	<u>183,149,149</u>	<u>221,848,042</u>	<u>181,236,438</u>	<u>151,832,317</u>	<u>150,174,286</u>
Total	<u>\$1,487,823,523</u>	<u>138,344,400</u>	<u>186,297,733</u>	<u>170,862,612</u>	<u>174,159,322</u>	<u>183,149,149</u>	<u>221,848,042</u>	<u>181,236,438</u>	<u>151,832,317</u>	<u>150,174,286</u>
District's Covered-Employee Payroll	\$ 33,635,616	32,840,476	32,390,696	31,452,092	30,389,056	29,216,982	27,187,973	27,954,184	28,264,648	28,245,728
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	2.26%	23.74%	17.39%	18.41%	17.45%	15.95%	12.26%	15.42%	18.62%	18.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS**  
**TEACHER'S PENSION AND ANNUITY FUND (TPAF)**  
**LAST TEN FISCAL YEARS**

L-4

This schedule is not applicable.

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

L-5

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

*Changes in Benefit Terms* – None

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

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

*Changes in Benefit Terms* – None

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



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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit M-1

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

**LAST SEVEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-	-
<b><u>State's OPEB Liability Attributable to the District</u></b>							
Service Cost	\$ 7,842,939	9,228,845	5,119,757	4,791,395	5,487,762	6,618,527	*
Interest	3,864,868	4,439,053	4,225,523	5,223,132	5,631,412	4,867,098	*
Change of Benefit Terms		(182,137)					*
Benefit Payments	(3,828,266)	(3,496,730)	(3,341,234)	(3,598,167)	(3,527,024)	(3,555,429)	*
Member Contributions	122,813	113,485	101,273	106,660	121,900	130,920	*
Difference between Expected and Actual Experience	5,837,275	(31,074,339)	33,545,034	(22,957,637)	(14,176,985)		*
Change of Assumptions	(39,122,358)	168,824	35,057,874	1,747,693	(15,136,466)	(20,416,334)	*
Net Change in Total OPEB Liability	(25,282,729)	(20,802,999)	74,708,227	(14,686,924)	(21,599,401)	(12,355,218)	*
Total Attributable OPEB Liability - Beginning	<u>171,120,750</u>	<u>191,923,749</u>	<u>117,215,522</u>	<u>131,902,446</u>	<u>153,501,847</u>	<u>165,857,065</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 145,838,021</u>	<u>171,120,750</u>	<u>191,923,749</u>	<u>117,215,522</u>	<u>131,902,446</u>	<u>153,501,847</u>	<u>165,857,065</u>
District's Covered Payroll	\$ 41,966,554	40,838,192	40,594,904	39,462,493	37,979,761	36,591,016	34,426,984
District's Contribution	None	None	None	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of the District's Covered-Employee Payroll	347.51%	419.02%	472.78%	297.03%	347.30%	419.51%	481.76%

\* - Information not available

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

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

**LAWRENCE SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2023****Exhibit M-2****Change of Benefit Terms**

Refer to Note 5 - Notes to Financial Statements.

**Difference Between Expected and Actual Experience**

The change in the liability from June 30, 2021 to June 30, 2022 is due to changes in the census, claims and premiums experience.

**Changes of Assumptions**

The Discount Rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1  
Sheet 1 of 3

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title IV</u>	<u>I.D.E.A. Basic</u>	<u>I.D.E.A. Preschool</u>	<u>ARP ESSER II</u>	<u>CRRSA ESSER II</u>	<u>CRRSA Mental Health</u>	<u>ACSERS</u>	<u>ARP Homeless</u>	<u>ARP I.D.E.A. Basic</u>	<u>ARP I.D.E.A. Preschool</u>	<u>Preschool Education</u>
Revenues:														
State Sources	\$ -													132,000
Federal Sources	299,454	96,286	15,094	51,306	1,361,612	42,497	727,757	337,006	45,000	96,938	12,347	40,977	7,150	
Local Sources														778,973
<b>Total Revenues</b>	<u>299,454</u>	<u>96,286</u>	<u>15,094</u>	<u>51,306</u>	<u>1,361,612</u>	<u>42,497</u>	<u>727,757</u>	<u>337,006</u>	<u>45,000</u>	<u>96,938</u>	<u>12,347</u>	<u>40,977</u>	<u>7,150</u>	<u>910,973</u>
Expenditures:														
Instruction:														
Salaries of Teachers	188,934	16,733	7,450				138,387	14,751						369,154
Other Salaries for Instruction														324,760
Purchased Professional and Technical Svcs.				34,227	170,140			27,473						
Other Purchased Services	53,162				1,190,415			118,725		96,938				
General Supplies	40,905		7,074	13,079			272,186	150,456			12,347			2,876
Textbooks														
<b>Total Instruction</b>	<u>283,001</u>	<u>16,733</u>	<u>14,524</u>	<u>47,306</u>	<u>1,360,555</u>	<u>-</u>	<u>410,573</u>	<u>311,405</u>	<u>-</u>	<u>96,938</u>	<u>12,347</u>	<u>-</u>	<u>-</u>	<u>696,790</u>
Support Services:														
Personnel Services - Employee Benefits	14,453	1,280	570				10,587	1,129						214,183
Purchased Professional and Technical Svcs.		63,929		4,000	1,057	42,497	306,597	24,472	45,000			40,977	7,150	
Other Purchased Services	1,600	12,978												
Supplies and Materials	400	1,366												
Other Objects														
Scholarships Awarded														
Student Activities														
<b>Total Support Services</b>	<u>16,453</u>	<u>79,553</u>	<u>570</u>	<u>4,000</u>	<u>1,057</u>	<u>42,497</u>	<u>317,184</u>	<u>25,601</u>	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>40,977</u>	<u>7,150</u>	<u>214,183</u>
Facilities Acquisition and Construction Services:														
Instructional Equipment														
Non-Instructional Equipment														
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>299,454</u>	<u>96,286</u>	<u>15,094</u>	<u>51,306</u>	<u>1,361,612</u>	<u>42,497</u>	<u>727,757</u>	<u>337,006</u>	<u>45,000</u>	<u>96,938</u>	<u>12,347</u>	<u>40,977</u>	<u>7,150</u>	<u>910,973</u>
Excess (Deficiency) of Revenues Over (Under)														
Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1														
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-	-	-	-	-

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1  
Sheet 2 of 3

	<u>Non-Public Home Instruction</u>	<u>Non-Public Textbooks</u>	<u>Nursing Services</u>	<u>ESL</u>	<u>Compensatory Education</u>	<u>Corrective Speech</u>	<u>Examination &amp; Classification</u>	<u>Security</u>	<u>Supplementary Instruction</u>	<u>Technology</u>	<u>SDA Emergent</u>	<u>Fall LTEF</u>	<u>Spring LTEF</u>	<u>Winter LTEF</u>
<b>Revenues:</b>														
State Sources	2,960	74,252	198,760	9,721	47,944	28,272	94,793	273,003	58,150	43,628	87,782			
Federal Sources														
Local Sources														
<b>Total Revenues</b>	<u>2,960</u>	<u>74,252</u>	<u>198,760</u>	<u>9,721</u>	<u>47,944</u>	<u>28,272</u>	<u>94,793</u>	<u>273,003</u>	<u>58,150</u>	<u>43,628</u>	<u>87,782</u>	<u>55,959</u>	<u>59,565</u>	<u>45,913</u>
<b>Expenditures:</b>														
<b>Instruction:</b>														
Salaries of Teachers														
Other Salaries for Instruction														
Purchased Professional and Technical Svcs.	2,960		198,760	9,721	47,944	28,272	94,793		58,150			4,000	12,110	
Other Purchased Services												20,108	1,232	
General Supplies												30,138	24,796	4,602
Textbooks		74,252								43,628				
<b>Total Instruction</b>	<u>2,960</u>	<u>74,252</u>	<u>198,760</u>	<u>9,721</u>	<u>47,944</u>	<u>28,272</u>	<u>94,793</u>	<u>-</u>	<u>58,150</u>	<u>43,628</u>	<u>-</u>	<u>54,246</u>	<u>38,138</u>	<u>4,602</u>
<b>Support Services:</b>														
Personnel Services - Employee Benefits														
Purchased Professional and Technical Svcs.								35,728						
Other Purchased Services								98,402			87,782			
Supplies and Materials								82,819				1,713		
Other Objects								38,060						
Scholarships Awarded														
Student Activities														
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,009</u>	<u>-</u>	<u>-</u>	<u>87,782</u>	<u>1,713</u>	<u>-</u>	<u>-</u>
<b>Facilities Acquisition and Construction Services:</b>														
Instructional Equipment													21,427	
Non-Instructional Equipment								17,994					-	41,311
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,427</u>	<u>41,311</u>
<b>Total Expenditures</b>	<u>2,960</u>	<u>74,252</u>	<u>198,760</u>	<u>9,721</u>	<u>47,944</u>	<u>28,272</u>	<u>94,793</u>	<u>273,003</u>	<u>58,150</u>	<u>43,628</u>	<u>87,782</u>	<u>55,959</u>	<u>59,565</u>	<u>45,913</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>														
<b>Fund Balance, July 1</b>														
<b>Fund Balance, June 30</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1  
Sheet 3 of 3

	2022 LTEF BMS	2022 LTEF BMS Steam	2019 LTEF BMS	2023 Sustainable Jersey	Voya Unsung Heroes	2021 Asia Grant	2022 NJSBAIG Safety Grant	Sustainable Jersey	Queen Amina Club Grant	Scholarship	Student	Totals 2023
<b>Revenues:</b>												
State Sources												1,051,265
Federal Sources												3,133,424
Local Sources	16,355	23,087	11,150	5,000	1,865	6,646	28,676	270	7,106	2,565	270,916	1,314,046
<b>Total Revenues</b>	<u>16,355</u>	<u>23,087</u>	<u>11,150</u>	<u>5,000</u>	<u>1,865</u>	<u>6,646</u>	<u>28,676</u>	<u>270</u>	<u>7,106</u>	<u>2,565</u>	<u>270,916</u>	<u>5,498,735</u>
<b>Expenditures:</b>												
<b>Instruction:</b>												
Salaries of Teachers				5,000					1,000			741,409
Other Salaries for Instruction												324,760
Purchased Professional and Technical Svcs.			8,160						4,975			701,685
Other Purchased Services						2,324						1,482,904
General Supplies	16,355		2,990		1,230			270	1,131			624,063
Textbooks						1,050						75,302
<b>Total Instruction</b>	<u>16,355</u>	<u>-</u>	<u>11,150</u>	<u>5,000</u>	<u>1,230</u>	<u>3,374</u>	<u>-</u>	<u>270</u>	<u>7,106</u>	<u>-</u>	<u>-</u>	<u>3,950,123</u>
<b>Support Services:</b>												
Personnel Services - Employee Benefits												242,202
Purchased Professional and Technical Svcs.												571,407
Other Purchased Services						3,272	28,676					232,710
Supplies and Materials					635							86,933
Other Objects												38,060
Scholarships Awarded										5,100		5,100
Student Activities											227,808	227,808
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>635</u>	<u>3,272</u>	<u>28,676</u>	<u>-</u>	<u>-</u>	<u>5,100</u>	<u>227,808</u>	<u>1,404,220</u>
<b>Facilities Acquisition and Construction Services:</b>												
Instructional Equipment		23,087										44,514
Non-Instructional Equipment												59,305
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>23,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,819</u>
<b>Total Expenditures</b>	<u>16,355</u>	<u>23,087</u>	<u>11,150</u>	<u>5,000</u>	<u>1,865</u>	<u>6,646</u>	<u>28,676</u>	<u>270</u>	<u>7,106</u>	<u>5,100</u>	<u>227,808</u>	<u>5,458,162</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,535)</u>	<u>43,108</u>	<u>40,573</u>
<b>Fund Balance, July 1</b>										34,158	203,944	238,102
<b>Fund Balance, June 30</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,623</u>	<u>247,052</u>	<u>278,675</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit E-2

**SPECIAL REVENUE FUND**

**SCHEDULE OF PRESCHOOL EDUCATION AID**

**BUDGETARY BASIS**

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

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 369,154	369,154	
Other Salaries of Instruction	324,760	324,760	
General Supplies	<u>2,876</u>	<u>2,876</u>	
Total Instruction	<u>696,790</u>	<u>696,790</u>	<u>-</u>
Support Services:			
Employee Benefits	<u>214,183</u>	<u>214,183</u>	
Total Support Services	<u>214,183</u>	<u>214,183</u>	
Total Expenditures	<u>\$ 910,973</u>	<u>910,973</u>	<u>-</u>

**Calculation of Budget & Carryover**

Total Revised 2022-23 Preschool Education Aid Allocation	\$ 132,000
Add: Actual PEA Carryover (June 30, 2023)	-
Add: Local Tuition\Registration	152,467
Add: Transfer from General Fund Budget	<u>626,506</u>
Total Preschool Education Aid Funds Available for 2022-23 Budget	910,973
Less: 2022-23 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>910,973</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	\$ -
Add: June 30, 2023 Unexpended Preschool Education Aid	<u>-</u>
2022-23 Carryover - Preschool Education Aid Program	<u>\$ -</u>
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-24	<u>\$ -</u>

**CAPITAL PROJECTS FUND – F**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND**

**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**

Exhibit F-1

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

<b><u>Issue/Project Title</u></b>	<b><u>Date Approved</u></b>	<b><u>Balance June 30, 2022</u></b>	<b><u>2022-2023 Adjustment</u></b>	<b><u>Transfers</u></b>	<b><u>Current Year Expended</u></b>	<b><u>Unexpended Balance</u></b>
Benjamin Franklin - HVAC, Security & Modular Bldg.	8/15/2017	\$ 457,910			(99,065)	358,845
Lawrence Elementary - HVAC, Security & Modular Bldg.	8/15/2017	251,318			(133,675)	117,643
Slackwood - HVAC, Security & Modular Bldg.	8/15/2017	431,963			(29,007)	402,956
Eldridge Park-HVAC, Security & Modular Bldg	8/15/2017	652,603			(98,422)	554,181
Lawrence Intermediate - HVAC, Security & Modular Bldg.	8/15/2017	1,583,392			(234,334)	1,349,058
Lawrence Middle School - HVAC, Security & Modular Bldg.	8/15/2017	510,773			(195,161)	315,612
Lawrence High School - HVAC, Security & Modular Bldg.	8/15/2017	2,830,977			(525,263)	2,305,714
Administration & Maintenance Bldg Improvements	8/15/2017	350,829			(23,527)	327,302
		<u>\$ 7,069,765</u>	<u>-</u>	<u>-</u>	<u>(1,338,454)</u>	<u>5,731,311</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND**

**Exhibit F-2**

**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS**

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

**Revenue**

Interest Earned	<u>\$ 236,029</u>
-----------------	-------------------

**Expenditures**

Architect	46,726
Purchased Professional and Technical Services	760
Construction Services	777,358
Supplies	379,633
Equipment	132,547
	<u>1,430</u>
Total Expenditures	<u>1,338,454</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,102,425)
---	-------------

Other Financing Sources (Uses)

Due Debt Service - Interest	<u>(236,029)</u>
Total Other Financing Sources (Uses)	<u>(236,029)</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,338,454)
---	-------------

Fund Balance - Beginning	<u>7,069,765</u>
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Fund Balance - Ending	<u>\$ 5,731,311</u>
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LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3A

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND HVACBEN FRANKLIN ELEMENTARY SCHOOL - PROJECT 31FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Sale of Bonds	\$ 2,319,821		2,319,821	2,319,821
Total Revenues	<u>2,319,821</u>	<u>-</u>	<u>2,319,821</u>	<u>2,319,821</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Legal Services	5,805		5,805	5,805
Architect	87,413	1,300	88,713	107,329
Purchased Professional and Technical Services	16,285		16,285	16,285
Construction Services	1,599,455	57,979	1,657,434	1,997,663
Supplies	112,348	39,786	152,134	152,134
Equipment	6,790		6,790	6,790
Other	33,815		33,815	33,815
Total Expenditures	<u>1,861,911</u>	<u>99,065</u>	<u>1,960,976</u>	<u>2,319,821</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 457,910</u>	<u>(99,065)</u>	<u>358,845</u>	<u>-</u>

**Additional Project Information**

State Account Number	2580-070-17-3000-4000
Original Authorized Cost	\$ 2,319,821
Revised Authorized Cost	2,319,821
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	85%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/2023

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3B

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND THE HVACLAWRENCE ELEMENTARY SCHOOL - PROJECT 32FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Sale of Bonds	\$ 2,106,142		2,106,142	2,106,142
Total Revenues	<u>2,106,142</u>	<u>-</u>	<u>2,106,142</u>	<u>2,106,142</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Legal Services	5,002		5,002	5,002
Architect	87,139	1,000	88,139	95,711
Purchased Professional and Technical Services	12,972		12,972	12,972
Construction Services	1,640,422	104,477	1,744,899	1,854,541
Supplies	85,927	28,198	114,125	114,125
Equipment	15,721		15,721	16,150
Other	7,641		7,641	7,641
Total Expenditures	<u>1,854,824</u>	<u>133,675</u>	<u>1,988,499</u>	<u>2,106,142</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 251,318</u>	<u>(133,675)</u>	<u>117,643</u>	<u>-</u>

**Additional Project Information**

State Account Number	2580-090-17-1000-3000
Original Authorized Cost	\$ 2,106,142
Revised Authorized Cost	2,106,142
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	94%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/2023

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3C

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND HVACSLACKWOOD ELEMENTARY SCHOOL - PROJECT 33FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Sale of Bonds	\$ 2,774,456		2,774,456	2,774,456
Total Revenues	<u>2,774,456</u>	<u>-</u>	<u>2,774,456</u>	<u>2,774,456</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Legal Services	5,002		5,002	5,002
Architect	114,625	2,000	116,625	127,965
Purchased Professional and Technical Services	20,923		20,923	20,923
Construction Services	2,107,904	7,159	2,115,063	2,509,546
Supplies	80,882	19,848	100,730	100,730
Equipment	6,790		6,790	6,790
Other	6,367		6,367	3,500
Total Expenditures	<u>2,342,493</u>	<u>29,007</u>	<u>2,371,500</u>	<u>2,774,456</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 431,963</u>	<u>(29,007)</u>	<u>402,956</u>	<u>-</u>

**Additional Project Information**

State Account Number	2580-100-17-1000-3000
Original Authorized Cost	\$ 2,774,456
Revised Authorized Cost	2,774,456
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	85%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/2023



LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3D

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND HVACELDRIDGE PARK ELEMENTARY SCHOOL - PROJECT 34FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Sale of Bonds	\$ 2,423,978		2,423,978	2,423,978
Total Revenues	<u>2,423,978</u>	<u>-</u>	<u>2,423,978</u>	<u>2,423,978</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Legal Services	5,002		5,002	5,002
Architect	92,774	3,500	96,274	116,732
Purchased Professional and Technical Services	39,266		39,266	39,266
Construction Services	1,561,622	39,177	1,600,799	2,134,522
Supplies	54,692	55,745	110,437	110,437
Equipment	12,020		12,020	12,020
Other	5,999		5,999	5,999
Total Expenditures	<u>1,771,375</u>	<u>98,422</u>	<u>1,869,797</u>	<u>2,423,978</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 652,603</u>	<u>(98,422)</u>	<u>554,181</u>	<u>-</u>

**Additional Project Information**

State Account Number	2580-080-17-1000-3000
Original Authorized Cost	\$ 2,423,978
Revised Authorized Cost	2,423,978
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	77%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/2023

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3E

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY AND HVACLAWRENCE INTERMEDIATE SCHOOL - PROJECT 35FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Sale of Bonds	\$ 3,906,846		3,906,846	3,906,846
Total Revenues	<u>3,906,846</u>	<u>-</u>	<u>3,906,846</u>	<u>3,906,846</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Legal Services	5,002		5,002	5,002
Architect	122,121	10,655	132,776	186,065
Purchased Professional and Technical Services	14,283		14,283	14,283
Construction Services	1,976,750	182,115	2,158,865	3,454,634
Supplies	161,872	41,564	203,436	203,436
Equipment	36,576		36,576	36,576
Other	6,850		6,850	6,850
Total Expenditures	<u>2,323,454</u>	<u>234,334</u>	<u>2,557,788</u>	<u>3,906,846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,583,392</u>	<u>(234,334)</u>	<u>1,349,058</u>	<u>-</u>

**Additional Project Information**

State Account Number	2580-085-17-1000-2000
Original Authorized Cost	\$ 3,906,846
Revised Authorized Cost	3,906,846
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	65%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/2023

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit F-3F

**CAPITAL PROJECTS FUND**

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**

**AND PROJECT STATUS - BUDGETARY BASIS**

**IMPROVEMENTS TO THE SECURITY, HVAC AND ELEVATOR**

**LAWRENCE MIDDLE SCHOOL - PROJECT 36**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Sale of Bonds	\$ 5,763,289		5,763,289	5,763,289
Total Revenues	<u>5,763,289</u>	<u>-</u>	<u>5,763,289</u>	<u>5,763,289</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Legal Services	5,359		5,359	5,359
Architect	200,029	3,500	203,529	203,529
Purchased Professional and Technical Services	252,454		252,454	252,454
Construction Services	4,638,277	161,675	4,799,952	5,261,112
Other Purchased Services	73		73	73
Supplies	133,164	28,556	161,720	16,172
Equipment	11,790		11,790	11,790
Other	11,370	1,430	12,800	12,800
Total Expenditures	<u>5,252,516</u>	<u>195,161</u>	<u>5,447,677</u>	<u>5,763,289</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>\$ 510,773</u>	<u>(195,161)</u>	<u>315,612</u>	<u>-</u>

**Additional Project Information**

<b><u>State Account Number</u></b>	2580-050-17-1000-3000
Original Authorized Cost	\$ 5,763,289
Revised Authorized Cost	5,763,289
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	95%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/2023

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3G

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY , HVAC AND ELEVATORLAWRENCE HIGH SCHOOL - PROJECT 37FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Sale of Bonds	\$ 5,332,519		5,332,519	5,332,519
Total Revenues	<u>5,332,519</u>	<u>-</u>	<u>5,332,519</u>	<u>5,332,519</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Legal Services	5,637		5,637	5,637
Architect	153,347	24,771	178,118	207,863
Purchased Professional and Technical Services	11,879		11,879	11,879
Construction Services	2,032,373	207,956	2,240,329	4,516,298
Other Purchased Services	10,448		10,448	10,448
Supplies	261,702	159,989	421,691	421,691
Equipment	15,153	132,547	147,700	147,700
Other	11,003		11,003	11,003
Total Expenditures	<u>2,501,542</u>	<u>525,263</u>	<u>3,026,805</u>	<u>5,332,519</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,830,977</u>	<u>(525,263)</u>	<u>2,305,714</u>	<u>-</u>

**Additional Project Information**

State Account Number	2580-040-17-1000-2000
Original Authorized Cost	\$ 5,332,519
Revised Authorized Cost	5,332,519
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	57%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/2023

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3H

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE ADMINISTRATIVE AND MAINTENANCE BUILDINGPROJECT 39FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Sale of Bonds	\$ 477,949		477,949	477,949
Total Revenues	<u>477,949</u>	<u>-</u>	<u>477,949</u>	<u>477,949</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Architect	5,288		5,288	17,704
Purchased Professional and Technical Services	2,470	760	3,230	3,230
Construction Services	92,756	16,819	109,575	424,461
Supplies	10,273	5,948	16,221	16,221
Other	16,333		16,333	16,333
Total Expenditures	<u>127,120</u>	<u>23,527</u>	<u>150,647</u>	<u>477,949</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 350,829</u>	<u>(23,527)</u>	<u>327,302</u>	<u>-</u>

**Additional Project Information**

State Account Number	2580-001-17-1000
Original Authorized Cost	\$ 477,949
Revised Authorized Cost	477,949
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	32%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/2023

**PROPRIETARY FUNDS – G**

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDSJUNE 30, 2023

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Total 2023</u>
<b><u>Assets</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 817,430	17,032	834,462
Accounts Receivable:			
State	10,576		10,576
Federal	53,936		53,936
Other	25,243		25,243
Inventory	118,194		118,194
Total Current Assets	<u>1,025,379</u>	<u>17,032</u>	<u>1,042,411</u>
Noncurrent Assets:			
Equipment	522,915		522,915
Accumulated Depreciation	(349,805)		(349,805)
Total Noncurrent Assets	<u>173,110</u>	<u>-</u>	<u>173,110</u>
Total Assets	<u>\$ 1,198,489</u>	<u>17,032</u>	<u>1,215,521</u>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Accounts Payable	\$ 333,681		333,681
Total Liabilities	<u>\$ 333,681</u>	<u>-</u>	<u>333,681</u>
<b><u>Net Position</u></b>			
Investment in Capital Assets	\$ 173,110		173,110
Unrestricted	691,698	17,032	708,730
Total Net Position	<u>\$ 864,808</u>	<u>17,032</u>	<u>881,840</u>

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**

**ENTERPRISE FUNDS**

**JUNE 30, 2023**

	<b>Food Services</b>	<b>Driver's Education</b>	<b>Community</b>	<b>Total 2023</b>
<b>Operating Revenues:</b>				
<b>Local Sources:</b>				
Daily Sales Non-Reimbursable Programs	\$ 182,944			182,944
Daily Sales Reimbursable Programs	608,937			608,937
Fees	40,459	43,853		84,312
<b>Total Operating Revenues</b>	<b>832,340</b>	<b>43,853</b>	<b>-</b>	<b>876,193</b>
<b>Operating Expenses:</b>				
Salaries & Benefits	627,079			627,079
Supplies and Materials	206,652			206,652
Repairs	44,130			44,130
Miscellaneous	69,151	39,425	120	108,696
Cost of Sales - Reimbursable Programs	589,777			589,777
Cost of Sales - Non Reimbursable Programs	211,830			211,830
Depreciation	38,605			38,605
Management Fee	50,000			50,000
<b>Total Operating Expenses</b>	<b>1,837,224</b>	<b>39,425</b>	<b>120</b>	<b>1,876,769</b>
<b>Operating Income (Loss)</b>	<b>(1,004,884)</b>	<b>4,428</b>	<b>(120)</b>	<b>(1,000,576)</b>
<b>Non-Operating Revenues:</b>				
<b>State Sources:</b>				
State School Lunch Program	31,726			31,726
State Breakfast Program	2,004			2,004
<b>Federal Sources:</b>				
National School Lunch Program	620,533			620,533
HHFKA Program	22,626			22,626
School Breakfast Program	69,653			69,653
Supply Chain Grant	175,219			175,219
Commodities	153,384			153,384
<b>Total Non-Operating Revenues</b>	<b>1,075,145</b>	<b>-</b>	<b>-</b>	<b>1,075,145</b>
<b>Net Income (Loss)</b>	70,261	4,428	(120)	74,569
<b>Adjustment for Fixed Assets</b>	(11,017)			(11,017)
<b>Net Position, July 1</b>	<b>805,564</b>	<b>12,604</b>	<b>120</b>	<b>818,288</b>
<b>Net Position, June 30</b>	<b>\$ 864,808</b>	<b>17,032</b>	<b>-</b>	<b>881,840</b>



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit G-3**

**SCHEDULE OF CASH FLOWS**

**ENTERPRISE FUNDS**

**JUNE 30, 2023**

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Total 2023</u>
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ (1,004,884)	4,428	(120)	(1,000,576)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	38,605			38,605
Commodities	153,384			153,384
Change in Assets and Liabilities				
Decrease/(Increase) in Inventory	(47,805)			(47,805)
(Increase)/Decrease in Accounts Receivable	367,759			367,759
Increase/(Decrease) in Accounts Payable	189,881	(34,535)		155,346
Net Cash Used By Operating Activities	<u>(303,060)</u>	<u>(30,107)</u>	<u>(120)</u>	<u>(333,287)</u>
Cash Flows from Noncapital Financing Activities:				
Cash Received From State and Federal Reimbursements	921,760			921,760
Net Cash Provided Noncapital Financing Activities:	<u>921,760</u>	<u>-</u>	<u>-</u>	<u>921,760</u>
Cash Flows from Acquisition of Capital Assets:				
Cash Provided for Purchase of Equipment	(55,425)			(55,425)
Net Cash Provided Noncapital Financing Activities:	<u>(55,425)</u>	<u>-</u>	<u>-</u>	<u>(55,425)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	563,275	(30,107)	(120)	533,048
Cash and Cash Equivalents, July 1	<u>254,155</u>	<u>47,139</u>	<u>120</u>	<u>301,414</u>
Cash and Cash Equivalents, June 30	<u>\$ 817,430</u>	<u>17,032</u>	<u>-</u>	<u>834,462</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTCOMBINING STATEMENT OF NET POSITION

Exhibit G-4

INTERNAL SERVICE FUNDSJUNE 30, 2023

	<u>Medical Claims</u>	<u>Total</u>
<b><u>Assets</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ 540,000	540,000
Total Assets	<u>\$ 540,000</u>	<u>540,000</u>
<b><u>Liabilities</u></b>		
Deposits Payable - Employee Benefits	\$ 540,000	540,000
Total Liabilities	<u>\$ 540,000</u>	<u>540,000</u>
<b><u>Net Position</u></b>		
Restricted - Medical Claims	\$ -	-
Total Net Position	<u>\$ -</u>	<u>-</u>

COMBINING STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2023

	<u>Medical Claims</u>	<u>Total</u>
Total Net Position - Beginning	<u>\$ -</u>	<u>-</u>
Total Net Position - Ending	<u>\$ -</u>	<u>-</u>

**FIDUCIARY FUND – H**

N/A

**LONG-TERM DEBT – I**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**LONG-TERM LIABILITIES**

Exhibit I-1

**SCHEDULE OF SERIAL BONDS**

**JUNE 30, 2023**

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>				
2015 Refunding Issue	11/17/2015	\$ 6,435,000	7/15/2023	\$ 615,000	5.00%	\$ 4,740,000	595,000	4,145,000
			7/15/2024	650,000				
			7/15/2025	675,000				
			7/15/2026	710,000	3.00%			
			7/15/2027	740,000				
			7/15/2028	755,000				
2018 Issue	8/15/2018	25,105,000	9/1/2023	1,905,000	2.50%	23,105,000	1,200,000	21,905,000
			9/1/2024-2033	2,000,000	3.00%			
2020 Refunding Issue	12/3/2020	4,730,000	3/1/2023	2,367,000	0.696%	<u>2,367,000</u>	<u>2,367,000</u>	<u>-</u>
						<u>\$ 30,212,000</u>	<u>4,162,000</u>	<u>26,050,000</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE**

**DEBT SERVICE FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Positive (Negative) Final to Actual</u></b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 4,072,367		4,072,367	4,072,367	
State Aid	844,931		844,931	844,931	-
Total Revenues	<u>4,917,298</u>	<u>-</u>	<u>4,917,298</u>	<u>4,917,298</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	862,387		862,387	862,387	-
Redemption of Principal	4,162,000		4,162,000	4,162,000	-
Total Regular Debt Service	<u>5,024,387</u>	<u>-</u>	<u>5,024,387</u>	<u>5,024,387</u>	<u>-</u>
Total Expenditures	<u>5,024,387</u>	<u>-</u>	<u>5,024,387</u>	<u>5,024,387</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,089)		(107,089)	(107,089)	
Other Financing Sources or Uses					
Transfer From Capital Projects			-	236,029	236,029
Fund Balance July 1	<u>119,750</u>		<u>119,750</u>	<u>119,750</u>	<u>-</u>
Fund Balance June 30	<u>\$ 12,661</u>	<u>-</u>	<u>12,661</u>	<u>248,690</u>	<u>236,029</u>

**STATISTICAL SECTION**

**(Unaudited)**



**LAWRENCE TOWNSHIP BOARD OF EDUCATION  
NET POSITION BY COMPONENT**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Governmental Activities</b>											
Invested in Capital Assets, net of related Debt	94,178,676	89,070,463	87,559,551	\$ 66,914,606	\$ 65,470,444	\$ 88,891,008	\$ 92,575,068	\$ 92,045,058	\$ 95,336,532	\$ 97,269,226	\$ 96,373,352
Restricted	17,089,013	17,734,216	11,252,873	\$ 19,612,102	\$ 29,928,158	\$ 5,424,585	\$ 7,199,150	\$ 11,588,588	\$ 11,151,703	\$ 9,271,797	\$ 9,423,775
Unrestricted	(15,721,521)	(16,426,977)	(12,940,827)	\$ (20,303,417)	\$ (23,101,616)	\$ (23,006,486)	\$ (22,276,615)	\$ (20,964,775)	\$ (20,189,153)	\$ (217,983)	\$ (663,993)
<b>Total Governmental Activities</b>	<b>\$ 95,546,168</b>	<b>\$ 90,377,702</b>	<b>\$ 85,871,597</b>	<b>\$ 66,223,291</b>	<b>\$ 72,296,986</b>	<b>\$ 71,309,107</b>	<b>\$ 77,497,603</b>	<b>\$ 82,668,871</b>	<b>\$ 86,299,082</b>	<b>\$ 106,323,040</b>	<b>\$ 105,133,134</b>
<b>Business Type Activities</b>											
Invested in Capital Assets, net of related Debt	173,110	167,306	198,872	\$ 213,447	\$ 260,892	\$ 306,555	\$ 80,246	\$ 284,726	\$ 312,475	\$ 335,697	\$ 372,996
Unrestricted	708,730	650,982	284,389	\$ 224,714	\$ 125,681	\$ 92,400	\$ 127,382	\$ 242,288	\$ 338,313	\$ 432,780	\$ 312,079
<b>Total Business Type Activities</b>	<b>\$ 881,840</b>	<b>\$ 818,288</b>	<b>\$ 483,261</b>	<b>\$ 438,161</b>	<b>\$ 386,573</b>	<b>\$ 398,955</b>	<b>\$ 207,628</b>	<b>\$ 527,014</b>	<b>\$ 650,788</b>	<b>\$ 768,477</b>	<b>\$ 685,075</b>
<b>District-wide</b>											
Invested in Capital Assets, net of related Debt	\$ 94,351,786	\$ 89,237,769	\$ 87,758,423	\$ 67,128,053	\$ 65,731,336	\$ 89,197,563	\$ 92,655,314	\$ 92,329,784	\$ 95,649,007	\$ 97,604,923	\$ 96,746,348
Restricted	\$ 17,089,013	\$ 17,734,216	\$ 11,252,873	\$ 19,612,102	\$ 29,928,158	\$ 5,424,585	\$ 7,199,150	\$ 11,588,588	\$ 11,151,703	\$ 9,271,797	\$ 9,423,775
Unrestricted	\$ (15,012,791)	\$ (15,775,995)	\$ (12,656,438)	\$ (20,078,703)	\$ (22,975,935)	\$ (22,914,086)	\$ (22,149,233)	\$ (20,722,487)	\$ (19,850,840)	\$ 214,797	\$ (351,914)
<b>Total District Assets</b>	<b>\$ 96,428,008</b>	<b>\$ 91,195,990</b>	<b>\$ 86,354,858</b>	<b>\$ 66,661,452</b>	<b>\$ 72,683,559</b>	<b>\$ 71,708,062</b>	<b>\$ 77,705,231</b>	<b>\$ 83,195,885</b>	<b>\$ 86,949,870</b>	<b>\$ 107,091,517</b>	<b>\$ 105,818,209</b>

Source:  
Exhibit A-1

LAWRENCE TOWNSHIP BOARD OF EDUCATION

CHANGES IN NET POSITION

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	21,721,973	20,933,862	\$ 20,046,872	\$ 19,994,951	\$ 19,765,837	\$ 23,194,197	\$ 18,995,170	\$ 18,414,673	\$ 17,890,178	\$ 18,114,616
Special education	11,940,820	12,807,030	\$ 11,627,901	\$ 10,122,759	\$ 9,852,141	\$ 6,958,028	\$ 9,272,441	\$ 8,177,757	\$ 7,994,040	\$ 7,853,030
Other special education	2,207,156	2,236,584	\$ 2,152,088	\$ 2,184,089	\$ 2,178,386	\$ 473,453	\$ 2,310,991	\$ 2,433,537	\$ 2,247,839	\$ 2,218,815
Other instruction	1,397,028	1,266,608	\$ 1,036,280	\$ 1,254,149	\$ 1,352,111	\$ 2,876,178	\$ 1,112,329	\$ 1,067,626	\$ 978,605	\$ 927,623
<b>Support:</b>										
Tuition	4,188,228	3,491,925	\$ 3,598,402	\$ 3,923,814	\$ 3,890,370	\$ 3,511,834	\$ 3,062,061	\$ 2,594,912	\$ 2,572,120	\$ 1,962,968
Student & instruction related services	10,825,705	10,770,578	\$ 9,753,391	\$ 9,620,311	\$ 9,182,233	\$ 8,750,102	\$ 8,990,513	\$ 9,136,800	\$ 8,665,016	\$ 8,609,435
General administration										
School Administrative Services	4,423,736	4,164,885	\$ 2,497,599	\$ 856,129	\$ 3,757,869	\$ 2,255,637	\$ 790,151	\$ 697,217	\$ 631,209	\$ 640,105
General and Business Services	909,378	963,254	\$ 2,371,981	\$ 3,949,993	\$ 802,382	\$ 2,083,664	\$ 3,624,829	\$ 3,479,522	\$ 3,455,208	\$ 3,300,258
Administrative information technology										
Plant Operations and Maintenance	8,320,921	7,390,928	\$ 6,943,676	\$ 7,115,016	\$ 7,334,262	\$ 6,942,111	\$ 7,301,285	\$ 7,269,603	\$ 7,135,008	\$ 6,622,251
Pupil transportation	5,120,796	4,461,923	\$ 3,227,027	\$ 3,403,114	\$ 3,933,797	\$ 3,698,805	\$ 3,364,525	\$ 3,124,802	\$ 3,220,869	\$ 2,828,880
Unallocated & Benefits	28,069,665	26,881,669	\$ 25,526,620	\$ 24,654,728	\$ 21,304,886	\$ 20,294,220	\$ 20,236,770	\$ 18,441,314	\$ 15,815,776	\$ 15,883,788
Transfer to Charter School/Food Services	99,594	181,358	\$ 150,876	\$ 190,995	\$ 65,720	\$ 10,493	\$ -	\$ -	\$ 2,093	\$ 18,388
Interest on Long Term Debt	841,072	897,999	\$ 1,026,040	\$ 1,441,420	\$ 1,177,403	\$ 793,245	\$ 900,160	\$ 1,011,939	\$ 1,189,501	\$ 1,310,605
Capital Outlay	566,195	2,063,724	\$ -	\$ 8,760,947	\$ 2,641,502	\$ -	\$ 4,833,379	\$ 746,414	\$ -	\$ -
Unallocated Depreciation	2,617,550	2,595,114	\$ 1,570,264	\$ 1,491,809	\$ 1,444,364	\$ 8,013,121	\$ 7,478,517	\$ 7,908,506	\$ 5,104,807	\$ 3,229,194
<b>Total Governmental Activities</b>	<b>103,249,817</b>	<b>101,047,441</b>	<b>\$ 91,529,017</b>	<b>\$ 98,964,224</b>	<b>\$ 88,683,263</b>	<b>\$ 89,855,088</b>	<b>\$ 92,273,121</b>	<b>\$ 84,505,022</b>	<b>\$ 76,902,269</b>	<b>\$ 73,519,956</b>
<b>Business Type Activities</b>	<b>1,876,769</b>	<b>1,991,541</b>	<b>\$ 727,618</b>	<b>\$ 1,189,553</b>	<b>\$ 1,542,141</b>	<b>\$ 1,479,444</b>	<b>\$ 1,598,591</b>	<b>\$ 1,552,765</b>	<b>\$ 1,568,659</b>	<b>\$ 1,349,744</b>
<b>Total District Expenses</b>	<b>105,126,586</b>	<b>103,038,982</b>	<b>\$ 92,256,635</b>	<b>\$ 100,153,777</b>	<b>\$ 90,225,404</b>	<b>\$ 91,334,532</b>	<b>\$ 93,871,712</b>	<b>\$ 86,057,787</b>	<b>\$ 78,470,928</b>	<b>\$ 74,869,700</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
<b>Charges for service</b>										
<b>Instruction</b>										
Support Services	32,957	32,328	\$ 27,905	\$ 41,607	\$ 31,883	\$ 20,632	\$ 18,378	\$ 229,125	\$ 186,659	\$ 132,741
Operating grants and contributions	4,948,507	6,141,970	\$ 4,857,035	\$ 3,451,960	\$ 3,608,470	\$ 3,701,756	\$ 3,439,960	\$ 2,959,549	\$ 3,091,827	\$ 2,936,993
<b>Total governmental activities program revenues</b>	<b>4,981,464</b>	<b>6,174,298</b>	<b>\$ 4,884,940</b>	<b>\$ 3,493,567</b>	<b>\$ 3,640,353</b>	<b>\$ 3,722,388</b>	<b>\$ 3,458,338</b>	<b>\$ 3,188,674</b>	<b>\$ 3,278,486</b>	<b>\$ 3,069,734</b>
<b>Business Type Activities:</b>										
<b>Charges for service</b>										
Food Service	876,193	79,262	\$ 95,456	\$ 657,869	\$ 926,302	\$ 877,384	\$ 874,298	\$ 830,052	\$ 869,957	\$ 903,793
Operating grants and contributions	1,075,145	2,237,774	\$ 610,739	\$ 583,272	\$ 601,327	\$ 567,078	\$ 588,702	\$ 593,778	\$ 569,519	\$ 529,353
<b>Total business activities program revenues</b>	<b>1,951,338</b>	<b>2,317,036</b>	<b>\$ 706,195</b>	<b>\$ 1,241,141</b>	<b>\$ 1,527,629</b>	<b>\$ 1,444,462</b>	<b>\$ 1,463,000</b>	<b>\$ 1,423,830</b>	<b>\$ 1,439,476</b>	<b>\$ 1,433,146</b>
<b>Total District Program Revenues</b>	<b>6,932,802</b>	<b>8,491,334</b>	<b>\$ 5,591,135</b>	<b>\$ 4,734,708</b>	<b>\$ 5,167,982</b>	<b>\$ 5,166,850</b>	<b>\$ 4,921,338</b>	<b>\$ 4,612,504</b>	<b>\$ 4,717,962</b>	<b>\$ 4,502,880</b>
<b>Net (Expense)/Revenue:</b>										
<b>Governmental Activities</b>	<b>(98,268,353)</b>	<b>(94,873,143)</b>	<b>\$ (86,644,077)</b>	<b>\$ (95,470,657)</b>	<b>\$ (85,042,910)</b>	<b>\$ (86,132,700)</b>	<b>\$ (88,814,783)</b>	<b>\$ (81,316,348)</b>	<b>\$ (73,623,783)</b>	<b>\$ (70,450,222)</b>
<b>Business Type Activities</b>	<b>74,569</b>	<b>9,532</b>	<b>\$ (21,423)</b>	<b>\$ 51,588</b>	<b>\$ (14,512)</b>	<b>\$ (34,982)</b>	<b>\$ (135,591)</b>	<b>\$ (128,935)</b>	<b>\$ (129,183)</b>	<b>\$ 83,402</b>
<b>Total District-wide Net Expense</b>	<b>(98,193,784)</b>	<b>(94,863,611)</b>	<b>\$ (86,665,500)</b>	<b>\$ (95,419,069)</b>	<b>\$ (85,057,422)</b>	<b>\$ (86,167,682)</b>	<b>\$ (88,950,374)</b>	<b>\$ (81,445,283)</b>	<b>\$ (73,752,966)</b>	<b>\$ (70,366,820)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities:</b>										
Property taxes for general purposes	72,565,345	70,953,686	\$ 69,751,246	\$ 68,278,342	\$ 66,556,034	\$ 64,936,030	\$ 63,454,008	\$ 62,210,439	\$ 60,685,996	\$ 59,499,325
Property taxes levied for debt service	4,072,367	3,653,047	\$ 3,953,904	\$ 3,492,281	\$ 2,842,635	\$ 2,894,161	\$ 3,063,991	\$ 2,909,892	\$ 2,364,718	\$ 2,340,954
Federal and State Aid not Restricted	25,888,932	24,047,908	\$ 19,991,918	\$ 16,446,564	\$ 15,407,682	\$ 12,687,511	\$ 12,685,912	\$ 11,739,401	\$ 11,909,412	\$ 9,727,993
Other			\$ (150,000)	\$ -	\$ -	\$ (1,877,585)	\$ -	\$ (50,493)	\$ 33,865	\$ -
Miscellaneous Income	910,175	724,607	\$ 336,943	\$ 1,179,775	\$ 1,224,438	\$ 1,304,087	\$ 201,077	\$ 876,898	\$ 602,639	\$ 513,945
Capital Asset Additions			\$ 11,573,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Governmental Type Activities</b>	<b>103,436,819</b>	<b>99,379,248</b>	<b>\$ 105,457,483</b>	<b>\$ 89,396,962</b>	<b>\$ 86,030,789</b>	<b>\$ 79,944,204</b>	<b>\$ 79,404,988</b>	<b>\$ 77,686,137</b>	<b>\$ 75,596,630</b>	<b>\$ 72,082,217</b>
<b>Total Business Type Activities</b>	<b>(11,017)</b>	<b>-</b>	<b>\$ 66,523</b>	<b>\$ -</b>	<b>\$ 2,130</b>	<b>\$ 226,309</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,494</b>	<b>\$ -</b>
<b>Total District-wide</b>	<b>103,425,802</b>	<b>99,379,248</b>	<b>\$ 105,524,006</b>	<b>\$ 89,396,962</b>	<b>\$ 86,032,919</b>	<b>\$ 80,170,513</b>	<b>\$ 79,404,988</b>	<b>\$ 77,686,137</b>	<b>\$ 75,608,124</b>	<b>\$ 72,082,217</b>
<b>Change in Net Assets</b>										
<b>Governmental Activities</b>	<b>5,168,466</b>	<b>4,506,105</b>	<b>\$ 18,813,406</b>	<b>\$ (6,073,695)</b>	<b>\$ 987,879</b>	<b>\$ (6,188,496)</b>	<b>\$ (9,409,795)</b>	<b>\$ (3,630,211)</b>	<b>\$ 1,972,847</b>	<b>\$ 1,631,995</b>
<b>Business Type Activities</b>	<b>63,552</b>	<b>9,532</b>	<b>\$ 45,100</b>	<b>\$ 51,588</b>	<b>\$ (12,382)</b>	<b>\$ 191,327</b>	<b>\$ (135,591)</b>	<b>\$ (128,935)</b>	<b>\$ (117,689)</b>	<b>\$ 83,402</b>
<b>Total District</b>	<b>5,232,018</b>	<b>4,515,637</b>	<b>\$ 18,858,506</b>	<b>\$ (6,022,107)</b>	<b>\$ 975,497</b>	<b>\$ (5,997,169)</b>	<b>\$ (9,545,386)</b>	<b>\$ (3,759,146)</b>	<b>\$ 1,855,158</b>	<b>\$ 1,715,397</b>

Source:  
Exhibit A-2 (Audit)

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**

**FUND BALANCES, GOVERNMENT FUNDS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund: (Note 11)										
Undesignated prior to Excess Calc.	\$ 3,084,470	\$ 4,016,820	\$ 4,072,317	\$ 2,257,864	\$ 1,802,458	\$ 1,912,562	\$ 1,694,899	\$ 1,615,007	\$ 1,746,175	\$ 1,557,668
Reserved: Excess Surplus From Audited Year			\$ -	\$ 118,530	\$ -	\$ -	\$ -	\$ -	\$ 181,055	\$ 26,210
Total Unreserved Surplus	\$ 3,084,470	\$ 4,016,820	\$ 4,072,317	\$ 2,139,334	\$ 1,802,458	\$ 1,912,562	\$ 1,694,899	\$ 1,615,007	\$ 1,565,120	\$ 1,531,458
All Other Governmental Funds: All funds within Debt Service or Capital Projects are designated into subsequent year's and reserved.										
Unreserved, Reported in:										
Capital Projects Fund				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund Balance (I Schedules)	\$ 248,690	\$ 119,750	\$ 502,437	\$ 573,373	\$ 378,518	\$ 105,492	\$ 34,651	\$ 452,128	\$ 50,943	\$ 86,443
Total Reserved for Future Years	\$ 248,690	\$ 119,750	\$ 502,437	\$ 573,373	\$ 378,518	\$ 105,492	\$ 34,651	\$ 452,128	\$ 50,943	\$ 86,443
Undesignated/Unreserved Debt Service Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Government Funds	\$ 3,084,470	\$ 4,016,820	\$ 4,072,317	\$ 2,139,334	\$ 1,802,458	\$ 1,912,562	\$ 1,694,899	\$ 1,615,007	\$ 1,565,120	\$ 1,531,458

[Source: Note 11/I Schedules/Exhibit B1 & B2]

LAWRENCE TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

J-4

LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30, 2023								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>									
Tax levy	\$ 61,840,279	\$ 63,050,714	\$ 65,120,331	\$ 66,517,999	\$ 67,830,191	\$ 69,398,669	\$ 71,770,623	73,705,150	74,606,733
Tuition charges	132,741	186,659	229,125	18,375	20,632	31,883	41,607	27,905	32,328
Interest earnings	11,306	19,516	28,056	27,264	71,897	181,739	146,078	23,341	18,585
Miscellaneous	722,105	851,196	1,151,741	1,532,690	1,232,190	1,800,542	1,816,652	1,331,577	1,877,078
State sources	10,439,458	11,517,574	12,333,908	13,626,774	14,399,381	16,426,301	17,425,961	20,645,375	25,088,127
Federal sources	2,006,062	3,215,592	1,981,923	1,701,048	1,989,886	1,832,008	1,689,698	3,185,603	3,930,695
<b>Total revenue</b>	<b>75,151,951</b>	<b>78,841,251</b>	<b>80,845,083</b>	<b>83,424,150</b>	<b>85,544,177</b>	<b>89,671,142</b>	<b>92,890,529</b>	<b>98,918,951</b>	<b>105,553,546</b>
<b>Expenditures</b>									
<b>Instruction</b>									
Regular instruction	18,169,017	17,890,178	18,833,021	18,995,170	23,194,197	19,765,837	19,994,951	20,046,872	20,933,862
Special education instruction	7,833,030	7,994,040	8,177,757	9,272,441	6,958,028	9,852,141	10,122,759	11,627,901	12,807,030
Other special instruction	2,218,815	2,247,839	2,433,537	2,310,991	473,453	2,178,386	2,184,089	2,152,088	2,236,584
Vocational education									
Other instruction	927,623	978,605	1,067,626	1,112,329	2,876,178	1,352,111	1,254,149	1,036,280	1,266,608
Nonpublic school programs									
Adult/continuing education									
<b>Support Services:</b>									
Tuition	1,962,968	2,572,120	2,594,912	3,062,061	3,511,834	3,890,370	3,923,814	3,598,402	3,491,925
Student & inst. related services	8,609,435	8,665,016	9,136,800	8,965,151	8,750,102	9,182,233	9,620,311	9,753,391	10,770,578
General administration	640,105	631,209	697,217	790,151	683,731	802,582	856,129	898,535	963,254
School administrative services	2,042,145	2,124,064	2,165,178	2,187,360	2,255,637	2,273,912	2,470,284	2,497,598	2,573,433
Central services	941,046	930,187	989,598	1,001,093	1,010,716	1,061,336	1,060,250	1,067,063	1,119,754
Admin. information technology	317,067	400,957	324,746	436,376	389,217	422,620	419,459	406,384	471,695
Plant operations and maintenance	6,622,251	7,135,008	7,269,603	7,301,285	6,942,111	7,334,262	7,115,016	6,943,676	7,390,928
Pupil transportation	2,828,880	3,220,869	3,124,802	3,364,525	3,698,805	3,933,797	3,403,114	3,227,027	4,461,923
Other Support Services									
Employee benefits	15,883,788	16,200,542	17,799,149	18,257,506	20,228,816	21,623,393	24,041,432	26,443,515	29,839,606
<b>Special Schools</b>									
Charter Schools & Food Services	18,388	2,093		25,362	10,493	65,720	190,995	150,876	181,358
Capital outlay	705,085	1,711,854	1,488,261	5,183,182	1,304,593	3,295,302	9,116,918	7,082,737	2,185,750
<b>Debt service:</b>									
Principal	3,343,000	3,065,000	3,195,000	3,770,000	2,380,000	2,475,000	2,580,000	3,709,000	3,924,000
Interest and other charges	1,360,916	1,227,480	1,074,007	950,641	826,769	739,544	1,712,185	1,141,916	915,454
Other: Ed Jobs   Capital Outlay									
<b>Total expenditures</b>	<b>74,443,559</b>	<b>76,997,061</b>	<b>80,371,214</b>	<b>86,985,624</b>	<b>85,494,680</b>	<b>90,248,347</b>	<b>100,065,855</b>	<b>101,783,261</b>	<b>105,533,742</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>708,392</b>	<b>1,844,190</b>	<b>473,869</b>	<b>(3,561,474)</b>	<b>49,497</b>	<b>(577,205)</b>	<b>(7,175,326)</b>	<b>(2,864,310)</b>	<b>19,804</b>
<b>Other Financing sources (uses)</b>									
Bond Proceeds						25,105,000	-		
Capital leases (non-budgeted)									
Proceeds from refunding									
Payments to escrow agent									
Transfers in									
Transfers out									
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,105,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 708,392</b>	<b>\$ 1,844,190</b>	<b>\$ 473,869</b>	<b>\$ (3,561,474)</b>	<b>\$ 49,497</b>	<b>\$ 24,527,795</b>	<b>\$ (7,175,326)</b>	<b>\$ (2,864,310)</b>	<b>\$ 19,804</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.38%</b>	<b>5.70%</b>	<b>5.41%</b>	<b>5.77%</b>	<b>3.81%</b>	<b>3.70%</b>	<b>4.72%</b>	<b>5.12%</b>	<b>4.68%</b>

Source: District records and Exhibit B 2 (Audit)  
 Note: Noncapital expenditures are total expenditures less capital outlay.

LAWRENCE TOWNSHIP BOARD OF EDUCATION  
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
 UNAUDITED

J-5

	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Interest on Reserves</u>	<u>Miscellaneous</u>	<u>Prior Year Refunds</u>	<u>Total</u>
2014	132,741	6,676	4,630	253,495	73,053	470,595
2015	186,659	13,839	5,677	209,934	107,755	523,863
2016	229,125	25,092	2,964	213,193	60,864	531,238
2017	103,524	36,695	3,568	306,812	144,099	594,698
2018	20,632	68,897	3,000	240,755	253,063	586,346
2019	31,883	181,739	3,000	590,537	105,602	912,762
2020	41,607	146,078	3,000	630,185	35,499	856,370
2021	27,905	23,341	4,577	184,776	177,943	418,542
2022	32,329	18,585	3,321	406,431	282,008	742,674
2023	32,957	229,186	65,373	215,061	123,953	666,530

**Source:**  
 Board Secretary's Reports  
 Audit

LAWRENCE TOWNSHIP BOARD OF EDUCATION

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2014	46,576,700	2,786,993,300	31,634,400	675,000	1,425,089,200	73,448,350	213,520,100	4,577,937,050	722,413,854	6,197,824	4,584,134,874	4,714,045,185	1.362
2015	62,789,500	2,785,021,000	29,479,200	664,600	1,369,783,000	68,895,450	212,583,500	4,529,216,250	720,678,404	6,301,334	4,535,517,584	4,820,372,203	1.413
2016	63,119,100	2,786,921,600	29,998,000	661,300	1,354,532,900	64,876,350	212,583,500	4,512,692,750	732,006,004	5,946,618	4,518,639,368	4,992,952,395	1.457
2017	54,621,600	2,786,799,700	29,778,100	666,800	1,370,811,900	64,375,150	212,583,500	4,519,636,750	749,457,304	6,012,079	4,525,648,829	5,024,517,763	1.484
2018	46,919,900	2,783,359,900	30,125,800	684,400	1,479,861,400	62,391,650	215,961,300	4,619,304,350	753,381,067	6,168,711	4,625,473,061	4,978,710,417	1.483
2019	46,526,600	2,774,499,900	31,542,900	685,100	1,481,486,000	61,685,450	223,202,800	4,619,628,750	763,204,750	6,268,296	4,625,897,046	5,035,180,238	1.526
2020	49,399,900	2,777,449,200	30,318,900	700,400	1,478,571,600	61,944,800	225,356,900	4,623,741,700	769,447,150	6,781,547	4,630,523,247	4,900,627,133	1.571
2021	46,970,300	2,797,684,000	29,787,800	683,700	1,473,205,200	61,357,400	233,295,100	4,642,983,500	773,024,950	6,801,280	4,649,784,780	4,950,373,317	1.595
2022	41,161,700	2,822,041,000	29,315,000	669,800	1,456,598,600	103,316,600	233,295,100	4,686,397,800	779,993,450	6,723,265	4,693,121,065	5,305,130,874	1.612
2023	43,089,600	2,842,511,500	29,313,900	666,400	1,424,213,100	103,076,900	256,897,700	4,699,769,100	781,556,200	6,583,100	4,706,352,200	5,529,123,056	1.63

Source: Mercer County Tax Assessor\Rateable Breakdown & Synopsis by Municipality

<http://www.mercercounty.org>

**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 the County Board of Taxation requests Treasury to order a reassessment

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

**b** Tax rates are per \$100

N/A At the time of CAFR completion, this data was not yet available

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING**

**PER \$100 OF ASSESSED VALUATION**

Fiscal Year Ended June 30,	Lawrence School District Direct Rate			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Lawrence Twp.	Open Space Twp.	Mercer County	Library County	Open Space County	
2014	1.311	0.051	1.362	0.527	0.030	0.613	0.062	0.026	2.620
2015	1.355	0.058	1.413	0.527	0.030	0.614	0.059	0.027	2.670
2016	1.391	0.066	1.457	0.527	0.030	0.643	0.062	0.027	2.746
2017	1.418	0.066	1.484	0.527	0.030	0.654	0.064	0.028	2.787
2018	1.421	0.062	1.483	0.557	0.030	0.638	0.065	0.027	2.800
2019	1.458	0.069	1.526	0.577	0.030	0.640	0.065	0.027	2.865
2020	1.490	0.080	1.571	0.597	0.030	0.615	0.062	0.027	2.902
2021	1.513	0.082	1.595	0.597	0.030	0.630	0.064	0.027	2.943
2022	1.530	0.082	1.612	0.627	0.030	0.620	0.064	0.028	2.981
2023	1.560	0.067	1.627	0.652	0.030	0.629	0.065	0.030	3.033

Source: Table of Aggregates/Lawrence Township Tax Assessor

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-8

SCHEDULE OF PRINCIPAL TAXPAYERS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Bristol-Myers Squibb	\$ 480,240,300	1	10.20%	\$ 182,916,000	1	7.31%
Town Court Owners TIC LLC	\$ 100,082,400	2	2.13%	\$ -		
Education Testing Service	\$ 93,351,200	3	1.98%	\$ 66,687,200	2	2.67%
Quakerbridge Mall	\$ 83,366,100	4	1.77%	\$ 47,763,500	5	1.91%
Mercer Mall	\$ 72,647,900	5	1.54%	\$ 46,346,800	6	1.85%
Lenox Driver Office Park	\$ 72,634,600	6	1.54%			
North East Multifamily Exchange	\$ 56,836,900	7	1.21%			
BCI IV Princess Logistics	\$ 41,547,800	8	0.88%			
Stewarts Crossing	\$ 33,574,000	9	0.71%	\$ 12,838,900	9	0.51%
Federal Realty Invest Trust	\$ 25,753,500	10	0.55%			
Avalon Properties				\$ 55,929,700	3	2.24%
AG Prsim				\$ 50,648,000	4	2.03%
Lawrence Shopping Center				\$ 16,316,100	7	0.65%
Princeton Pike Office Park				\$ 13,681,000	8	0.55%
Macy's				\$ 10,255,900	10	0.41%
<b>Total</b>	<b>\$ 1,060,034,700</b>		<b>22.52%</b>	<b>\$ 503,383,100</b>		<b>20.13%</b>

Source: Municipal Tax Assessor



LAWRENCE TOWNSHIP BOARD OF EDUCATION

MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2014	61,840,279	61,840,279	100.00%	-
2015	63,050,714	63,050,714	100.00%	-
2016	65,120,331	65,120,331	100.00%	-
2017	66,517,999	66,517,999	100.00%	-
2018	67,830,191	67,830,191	100.00%	-
2019	69,398,669	69,398,669	100.00%	-
2020	71,770,623	71,770,623	100.00%	-
2021	73,705,150	73,705,150	100.00%	-
2022	74,606,733	74,606,733	100.00%	-
2023	76,637,712	76,637,712	100.00%	-

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

a. 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, in the amount voted upon or certified prior to the end of the school year.

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**

J-10

**RATIO OF OUTSTANDING DEBT BY TYPE**

Fiscal Year Ended June 30,	General Obligation Bonds	Governmental Activities			Business Activities		Total Debt Per District	Estimated Population	Per Capita
		Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases				
2014	30,163,000	-	-	-	-	30,163,000	33,419	\$ 903	
2015	27,098,000	-	521,600	-	-	27,619,600	33,304	\$ 829	
2016	23,795,000	-	349,803	-	-	24,144,803	33,122	\$ 729	
2017	20,025,000	-	-	-	-	20,025,000	33,161	\$ 604	
2018	17,645,000	-	-	-	-	17,645,000	33,161	\$ 532	
2019	40,275,000	-	-	-	-	40,275,000	32,668	\$ 1,233	
2020	37,695,000	-	-	-	-	37,695,000	33,077	\$ 1,140	
2021	34,136,000	-	-	-	-	34,136,000	33,016	\$ 1,034	
2022	30,212,000	-	-	-	-	30,212,000	33,016	\$ 915	
2023	26,050,000	-	-	-	-	26,050,000	33,016	\$ 789	

**Source:**

Census Data

District Records

\* General Obligation Bond is equal to the amount of principal only

Population Estimates Taken From as of 10/10/22) : <https://www.nj.gov/labor/labormarketinformation/demographics/population-household-estimates/index.sh>

**RATIO OF NET GENERAL BONDED DEBT**  
**TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**

<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>Lawrence Twp</u> <u>Population</u>	<u>Net Assessed</u> <u>Valuation Taxable</u>	<u>Net Bonded</u> <u>Debt of District</u>	<u>Percentage of</u> <u>Taxable Property</u> <u>Value</u>	<u>Net Bonded</u> <u>Debt</u> <u>Per Capita</u>
2014	33,419	\$4,577,937,050	\$ 30,163,000	0.66%	\$903
2015	33,304	\$4,529,216,250	\$ 27,098,000	0.60%	\$814
2016	33,122	\$4,512,692,750	\$ 23,795,000	0.53%	\$718
2017	33,161	\$4,519,636,750	\$ 20,025,000	0.44%	\$604
2018	33,161	\$4,625,473,061	\$ 17,645,000	0.38%	\$532
2019	32,668	\$4,625,897,046	\$ 40,275,000	0.87%	\$1,233
2020	33,077	\$4,630,523,247	\$ 37,695,000	0.81%	\$1,140
2021	33,016	\$4,649,784,780	\$ 34,136,000	0.73%	\$1,034
2022	33,016	\$4,693,121,065	\$ 30,212,000	0.64%	\$915
2023	33,016	\$4,706,352,200	\$ 26,050,000	0.55%	\$789

**Source:**

New Jersey Department of Labor  
Mercer County Abstract of Ratables

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBTUNAUDITED

## Direct and Overlapping Governmental Activities Debt

Net Direct Debt of School District as of June 30, 2023	\$	26,050,000
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## Net Overlapping Debt of School District:

Lawrence Township	\$	10,788,000
Mercer County - Township's Share	*	\$ 70,355,327
Ewing-Lawrence Sewer Authority - Township's Share	*	\$ 10,007,904
Mercer County Improvement Authority-Township's Share	\$	-

Total Direct and Overlapping Bonded Debt as of June 30, 2023	\$	<u>117,201,231</u>
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**Source:**

\* Info as of June 30, 2022

Mercer County Finance Department

Ewing Lawrence Sewer Authority

Mercer County Improvement Authority

Township Of Lawrence, Audit, Schedule "C. Long Term Debt" (Total of Schedule)

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**

**COMPUTATION OF LEGAL DEBT MARGIN**

	<u>Year</u>	<u>Equalized Valuation Basis</u>
	2023	\$5,529,123,056
	2022	\$5,305,130,874
	2021	\$4,950,373,317
Sum of values for three years	[A]	<u>\$15,784,627,247</u>
Average 3 years Equalized Valuation of Taxable Property	[A]/3	\$5,261,542,416
Debt limit (4% of average equalization value)	[B]	\$ 210,461,697
Total Net Debt Applicable to Limit	[C]	<u>\$ 30,212,000</u>
Legal Debt Margin	[B-C]	<u>\$ 180,249,697</u>

NJSA: 18A: 24-19

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$199,452,374	\$194,601,567	\$195,009,222	\$197,723,545	\$ 198,039,326	\$ 196,834,495	\$ 199,601,198	\$ 198,482,409	\$ 202,081,751	\$ 202,081,751
Total net debt applicable to limit	<u>30,163,000</u>	<u>27,098,000</u>	<u>23,795,000</u>	<u>20,025,000</u>	<u>17,645,000</u>	<u>40,275,000</u>	<u>37,695,000</u>	<u>34,136,000</u>	<u>30,212,000</u>	<u>26,050,000</u>
Legal debt margin	<u>\$ 169,289,374</u>	<u>\$ 167,503,567</u>	<u>\$ 171,214,222</u>	<u>\$ 177,698,545</u>	<u>\$ 180,394,326</u>	<u>\$ 156,559,495</u>	<u>\$ 161,906,198</u>	<u>\$ 164,346,409</u>	<u>\$ 171,869,751</u>	<u>\$ 176,031,751</u>
Total net debt applicable to the limit as a percentage of debt limit	15.12%	13.92%	12.20%	10.13%	8.91%	20.46%	18.89%	17.20%	14.95%	12.89%

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

<https://www.nj.gov/treasury/taxation/lpt/lptvalue.shtml>

Legal Debt Margin (Source J-11 Debt Ratio)

[A] Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC STATISTICS

<u>Year Ended December 31,</u>	<u>Lawrence Township Population</u>	<u>Totoal Personal Income</u>	<u>Lawrence Twp. Per Capita Income</u>	<u>Lawrence Township Unemployment Rate</u>
2014	33,047	1,362,296,481	41,223	4.4%
2015	32,854	1,299,999,926	39,569	3.6%
2016	32,597	1,393,163,183	42,739	3.4%
2017	32,590	1,424,117,820	43,698	3.1%
2018	32,535	1,657,625,715	50,949	2.7%
2019	32,458	1,857,831,004	57,238	2.2%
2020	33,087	1,893,833,706	57,238	5.7%
2021	31,945	1,828,467,910	57,238	4.3%
2022	31,808	1,820,626,304	57,238	2.5%
2023	N/A	NA	N/A	N/A

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**

**OPERATING STATISTICS**

**PRINCIPAL EMPLOYERS**

Information not available

LAWRENCE TOWNSHIP BOARD OF EDUCATION

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										
Program Code Series 105,110,120,130,140,150, Regular	282	275	269	273	289	291	277	301	281	290
Program Code Series 209,212,213,215,216, Special Education	106	113	107	128	127	135	137	135	145	148
Other Special Education										
Vocational										
Program Code Series 401,402,421,422,800 Other Instruction	1	1	1	1	2	2	2	2	2	2
Nonpublic school programs										
Adult/continuing education programs										
Support Services 11-000-										
Function Code Series 211,213,216,217,218,219; Student & instruction related services	110	110	115	113	110	134	114	136	112	111
Function Code Series 230 General administration	3	3	3	3	3	3	3	3	3	3
Function Code Series 240 School administrative services	23	22	23	23	21	22	24	25	24	24
Function Code Series 251 Central Services (Business & Personnel)	11	11	14	14	10	14	14	14	14	14
Function Code Series 252 Admin. Information Technology	3	3	4	4	4	4	5	5	5	5
Function Code Series 261,262,266 Plant operations & maintenance	68	65	82	80	77	74	73	74	77	80
Function Code Series 27X Pupil Transportation	8	11	10	14	20	19	21	18	18	19
Function Code Series Other support services										
Special Schools										
Food Service	2	2	2	2	2	2	2	2	2	1
Child Care										
<b>Total</b>	<b>616</b>	<b>616</b>	<b>630</b>	<b>655</b>	<b>665</b>	<b>700</b>	<b>672</b>	<b>715</b>	<b>683</b>	<b>697</b>

Source: District Personnel Records

\*These functions were redistributed to other categories in the schedule.



OPERATING STATISTICSLAST TEN FISCAL YEARS

Fiscal Year	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
2014	64,677,005	\$16,129	0.92%	4,010	3,834	95.6%
2015	65,966,114	\$16,566	2.64%	3,982	3,814	95.8%
2016	65,669,461	\$16,761	1.16%	3,918	3,752	95.8%
2017	71,697,695	\$18,417	8.99%	3,893	3,717	95.5%
2018	69,255,518	\$18,054	-2.01%	3,836	3,664	95.5%
2019	69,922,400	\$18,586	2.86%	3,762	3,595	95.6%
2020	72,097,372	\$18,988	2.11%	3,797	3,685	97.1%
2021	71,528,869	\$19,687	3.55%	3,633	3,496	96.2%
2022	74,993,421	\$20,712	4.95%	3,621	3,407	94.1%
2023	82,093,639	\$22,399	7.53%	3,665	3,461	94.4%

**Source:**

Enrollment based on annual final reported attendance figures

"Operating Expenditures" are reported on a Budgetary Basis.

Reconciled Expenditures are Schedule C less "On Behalf of" payments

District Records Susan Commini

**Lawrence Township Public Schools  
School Building Information  
Last Ten Fiscal Years**

J-18

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
<b>Ben Franklin Elementary School (1961 &amp; several additions through 2005)</b>										
Square Feet	58,545	58,545	58,545	58,545	58,545	58,545	58,545	58,545	58,545	58,545
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	350	352	342	364	396	389	400	419	445	463
<b>Lawrenceville Elementary School (1923 &amp; several additions through 2005)</b>										
Square Feet	51,372	51,372	51,372	51,372	51,372	51,372	51,372	51,372	51,372	51,372
Capacity (students)	345	345	345	345	345	345	345	345	345	345
Enrollment *	301	302	293	286	328	310	307	317	335	356
<b>Slackwood Elementary School (1910)</b>										
Square Feet	45,582	45,582	45,582	45,582	45,582	45,582	45,582	45,582	45,582	45,582
Capacity (students)	318	318	318	318	318	318	318	318	318	318
Enrollment	246	220	220	218	252	269	285	277	291	275
<b>Eldridge Park Elementary School (1914)</b>										
Square Feet	37,178	37,178	37,178	37,178	37,178	37,178	37,178	37,178	37,178	37,178
Capacity (students)	267	267	267	267	267	267	267	267	267	267
Enrollment	222	223	209	203	210	234	247	280	281	269
<b><u>Intermediate School (1970)</u></b>										
<b>Lawrence Intermediate School</b>										
Square Feet	97,077	97,077	97,077	97,077	97,077	97,077	97,077	97,077	97,077	97,077
Capacity (students)	714	714	714	714	714	714	714	714	714	714
Enrollment	816	823	825	808	870	897	920	911	892	896
<b><u>Middle School (1952)</u></b>										
<b>Lawrence Middle School</b>										
Square Feet	86,123	86,123	86,123	86,123	86,123	86,123	86,123	86,123	86,123	86,123
Capacity (students)	604	604	604	604	604	604	604	604	604	604
Enrollment	576	566	559	602	586	594	602	593	569	601
<b><u>High School (1966 &amp; several additions through 2005)</u></b>										
<b>Lawrence High School</b>										
Square Feet	228,026	228,026	228,026	228,026	228,026	228,026	228,026	228,026	228,026	228,026
Capacity (students)	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456
Enrollment	1,213	1,171	1,165	1,165	1,120	1,142	1,131	1,121	1,168	1,152
<b><u>Other</u></b>										
<b>Administration Building (1992)</b>										
Square Feet	9,380	9,380	9,380	9,380	9,380	9,380	9,380	9,380	9,380	9,380
<b>Facilities Building (2015)</b>										
Square Feet	18,107	18,107	18,107	18,107	18,107	18,107	18,107	18,107	18,107	18,107
<b>Number of Schools at June 30, 2023</b>										
Elementary =	4									
Intermediate School =	1									
Middle School =	1									
High School =	1									
Other =	2									

Source: 2020 Long Range Facilities Plan

The Sq/Ft. figures were found in the 2020 Long Range Facilities Plan/"Functional Capacity and Unhoused Students"

Enrollment: District Attendance Officer Susan Communi

Schedule of Required Maintenance Expenditures

J-19

<u>SCHOOL:</u>	<u>Sq. Ft.</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
LAWRENCE HIGH SCHOOL	228,026	255,144	282,968	330,582	368,996	250,281	645,516	510,493	459,096	578,843	829,309.00
LAWRENCE MIDDLE SCHOOL	86,123	321,354	306,114	166,145	203,090	155,541	131,096	111,726	124,953	150,498	350,291.00
BEN FRANKLIN	58,545	70,098	93,433	81,556	214,121	173,663	75,083	58,792	149,486	88,873	217,614.00
ELDRIDGE PARK	37,178	66,340	72,480	168,498	76,218	177,623	44,630	101,728	83,433	96,494	141,510.00
LAWRENCE INTERMEDIATE	97,077	88,510	197,306	143,906	108,663	82,026	117,595	250,673	363,944	197,540	285,990.00
LAWRENCEVILLE ELEMENTARY	51,372	42,287	109,226	100,881	122,753	45,718	96,495	84,103	128,369	150,352	256,398.00
SLACKWOOD ELEMENTARY	45,582	93,132	77,918	119,774	127,414	77,315	87,182	92,771	128,120	114,199	128,148.00
	603,903	\$ 936,864	\$ 1,139,445	\$ 1,111,342	\$ 1,221,255	\$ 962,167	\$ 1,197,597	\$ 1,210,286	1,437,401	1,376,799	2,209,260

Source: Comprehensive Maintenance Plan M-1/M and CSI with the audit for 11-000-261-XXX.

The Sq/Ft. figures were found in the 2019 Long Range Facilities Plan/"Functional Capacity and Unhoused Students"

NOTE: 2022 Figures include funding from Special Revenue Fund and will not reconcile to exclusively to the General Fund

## INSURANCE SCHEDULE

JUNE 30, 2023

<u>Multi Peril Package Policy</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Company</u>
<u>Property</u>			
Blanket Building & Contents	193,523,866	5,000	NJSIG
Extra Expense	50,000,000		
Musical instruments( included in blanket bldg & contents)	included		
Miscellaneous Equip (included in blanket bldg & contents)	included		
Computer Equipment (Included in Blanket Bldg & Contents)	included		
Demolition /Incr. Cost of Construction			
<u>Energy Systems</u>	100,000,000	25,000	NJSIG
Spoilage	1,000,000		
<u>Commercial Liability</u>			NJSIG
Bodily Injury /Property Damage	31,000,000		
Fire Damage (Legal)	31,000,000		
Employee Benefits Liability	31,000,000		
Medical Expense	5,000/10,000		
<u>Crime</u>			NJSIG
Money & Securities	50,000		
Employee Dishonesty	1,000,000		
Forgery & Alteration	1,000,000		
Computer Fraud	1,000,000		
<u>Business Auto</u>			NJSIG
Bodily Injury & Property Damage	31,000,000	1,000	
Personal Injury Protection	Yes		
Medical Payments	10,000		
Uninsured/Underinsured	1,000,000		
Garagekeepers	1,000,000		
<u>School Board Legal Liability</u>			NJSIG
Section "A"	30,000,000	1,500	
Section "B"	100,000/300,000		
<u>Catastrophe Excess</u>			Fireman's Fund
Limit of Liability	25,000,000		
<u>Cyber Breach Response</u>			
Limit of Liability	10,000,000		Beazly
Aggregate Sublimit	2,000,000		
Each Claim Retention	60,000		
<u>Workers Compensation Policy</u>			NJSIG
Section "A"	Statutory		
Section "B"			
Each Accident	3,000,000		
Each Employee	3,000,000		
<u>Supplemental W/C</u>			NJSIG
Maximum Benefits	1750 PER WEEK		
<u>Student Accident</u>			Bolinger
Compulsory( including Athletics)	5,000,000		
<u>Bonds</u>			Selective
Treasurer of School Monies	425,000		
Business Administrator	425,000		
<u>Environmental Impairment Liability</u>			
Occurrence/Aggregate	1,000,000	10,000	Loyds Syndicate
First Party Personal Property	100,000		
Microbial Matter Clean Up Ded		100,000	
Microbial Matter Damages		25,000	

**SINGLE AUDIT SECTION**

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:  
(732) 290-8888

e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

K-1

Honorable President and Members  
of the Board of Education  
Lawrence Township Board of Education  
County of Mercer  
Lawrence Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lawrence Township Board of Education, County of Mercer, 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 Lawrence Township Board of Education, County of Mercer, State of New Jersey's basic financial statements, and have issued our report thereon dated January 15, 2024.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **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,

**ROBERT A. HULSART AND COMPANY**

***Robert A. Hulsart***

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

January 15, 2024

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
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Telecopier:  
(732) 280-8888  
e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;**  
**REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE**  
**OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND**  
**NEW JERSEY OMB'S CIRCULAR 15-08**

K-2

Honorable President and Members  
of the Board of Education  
Lawrence Township Board of Education  
County of Mercer  
Lawrence Township, New Jersey

**Report on Compliance for Each Major Federal & State Program**

**Opinion on Each Major Federal & State Program**

We have audited the Lawrence Township Board of Education's compliance with the types of compliance requirements described 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 Lawrence Township Board of Education's major federal and state programs for the year ended June 30, 2023. The Lawrence Township Board of Education'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 Lawrence Township Board of Education 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 in accordance with the auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 NJ 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 Lawrence Township Board of Education 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 opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Lawrence Township Board of Education's compliance with the 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 its 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 have occurred, whether due to fraud or error, and express an opinion on the Lawrence Township Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ 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 Lawrence Township Board of Education's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Lawrence Township Board of Education'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 Lawrence Township Board of Education'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 NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Lawrence Township Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Other Matters**

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

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

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

Our consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 have not been 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 NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

January 15, 2024

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustment	Balance at June 30, 2023				
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor at		
U.S. Department of Education:																	
General Fund																	
Medical Assistance Program(SEMI)	93.778	2205NJ5MAP	N/A	\$ 81,336	07/01/2022	06/30/2023	\$ -	-	81,336	(81,336)	-	-	-	-	-		
U.S. Department of Education:																	
Passed Through State Department of Education:																	
Special Revenue Fund:																	
Title I	84.010A	S010A210030	NCLB22	862,879	07/01/2021	06/30/2022	(90,365)	-	90,365	-	-	-	-	-	-		
Title I	84.010A	S010A220030	NCLB23	824,938	07/01/2022	06/30/2023	-	-	217,834	(299,454)	-	90	(81,620)	-	-		
Title IIA	84.367A	S367A210029	NCLB22	184,697	07/01/2021	06/30/2022	(12,295)	-	12,205	-	-	-	-	-	-		
Title IIA	84.367A	S367A220029	NCLB23	173,046	07/01/2022	06/30/2023	-	-	49,184	(96,286)	-	-	(47,102)	-	-		
Title III	84.365A	S365A210030	NCLB23	47,788	07/01/2022	06/30/2023	-	-	9,085	(15,094)	-	-	(6,009)	-	-		
Title III	84.365A	S365A220030	NCLB22	47,536	07/01/2021	06/30/2022	(2,958)	-	2,958	-	-	-	-	-	-		
Title IV	84.424	S424A210031	NCLB22	81,012	07/01/2021	06/30/2022	(20,968)	-	20,959	-	-	9	-	-	-		
Title IV	84.424	S424A220031	NCLB23	60,089	07/01/2022	06/30/2023	-	-	6,740	(51,306)	-	-	(44,566)	-	-		
Special Education Cluster:																	
IDEA Basic	84.027	H027A210100	IDEA22	1,391,384	07/01/2021	06/30/2022	(430,044)	-	430,044	-	-	-	-	-	-		
IDEA Basic	84.027	H027A220100	IDEA23	1,435,931	07/01/2022	06/30/2023	-	-	895,759	(1,361,612)	-	-	(465,853)	-	-		
IDEA Preschool	84.173	H173A210114	IDEA22	84,844	07/01/2021	06/30/2022	(51,565)	-	51,565	-	-	-	-	-	-		
IDEA Preschool	84.173	H173A220114	IDEA23	60,593	07/01/2022	06/30/2023	-	-	25,464	(42,497)	-	-	(17,033)	-	-		
ARP IDEA Preschool	84.173X	H173X210114	IDEA22	22,714	07/01/2021	09/30/2024	-	-	7,150	(7,150)	-	-	-	-	-		
ARP IDEA Basic	84.027X	H027X210100	IDEA22	266,511	07/01/2021	09/30/2024	(65,596)	-	65,596	(40,977)	-	-	(40,977)	-	-		
ACSERS Aid	21.027	SLFRFDOE1SES	NA	96,938	07/01/2022	06/30/2023	-	-	96,938	(96,938)	-	-	-	-	-		
American Rescue Plan:																	
ARP ESSER II	84.425U	S425U200027	NA	2,743,932	07/01/2021	09/30/2024	(1,121,370)	-	1,279,739	(727,757)	-	-	(569,388)	-	-		
ARP Homeless	84.425U	S425U200027	NA	12,358	07/01/2021	09/30/2024	-	-	-	(12,347)	-	-	(12,347)	-	-		
CRRSA ESSER II	84.425D	S425D200027	NA	1,220,917	07/16/2020	09/30/2023	(95,252)	-	365,149	(337,006)	-	-	(67,109)	-	-		
ESSER II - Mental Health	84.425D	S425D200027	NA	45,000	07/16/2020	09/30/2023	-	-	45,000	(45,000)	-	-	-	-	-		
CARES Act	84.425D	S425D200027	CARES20	362,053	03/13/2020	09/30/2022	(242)	-	242	-	-	-	-	-	-		
Total U.S. Department of Education							(1,890,655)	-	3,671,976	(3,133,424)	-	99	(1,352,004)	-	-		
U.S. Department of Agriculture -																	
Passed Through State Department of Education:																	
Child Nutrition Cluster:																	
National School Lunch Program	10.555	221NJ304N1099	N/A	1,720,173	07/01/2021	06/30/2022	(370,270)	-	370,270	-	-	-	-	-	-		
National School Lunch Program	10.555	231NJ304N1099	N/A	620,533	07/01/2022	06/30/2023	-	-	568,483	(620,533)	-	-	(52,050)	-	-		
HHFKA	10.555	231NJ304N1099	N/A	22,626	07/01/2022	06/30/2023	-	-	20,719	(22,626)	-	-	(1,907)	-	-		
Supply Chain Grant	10.555	231NJ344N8903	N/A	175,219	07/01/2022	06/30/2023	-	-	175,219	(175,219)	-	-	-	-	-		
School Breakfast Program	10.553	231NJ304N1099	N/A	69,653	07/01/2022	06/30/2023	-	-	62,008	(69,653)	-	-	(7,645)	-	-		
School Breakfast Program	10.553	221NJ304N1099	N/A	339,658	07/01/2021	06/30/2022	(78,723)	-	78,723	-	-	-	-	-	-		
Food Distribution Program	10.550	221NJ304N1099	N/A	153,384	07/01/2022	06/30/2023	-	-	153,384	(153,384)	-	-	-	-	-		
Total U.S. Dept. of Agriculture							(448,993)	-	1,428,806	(1,041,415)	-	-	(61,602)	-	-		
Total Federal Financial Assistance							\$ (2,339,648)	-	5,182,118	(4,256,175)	-	99	(1,413,606)	-	-		

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Schedule B  
K-4

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Grantor/Program State Department of Education;	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2023	Deferred Revenue	Due to Grantor at June 30, 2022	MEMO	
			From	To	Deferred Revenue (Accts. Receivable)	Due To Grantor									Budgetary Receivable	Total Cumulative Expenditures
General Fund:																
Special Education Aid	23-495-034-5120-089	\$ 3,722,139	07/01/2022	06/30/2023	\$ -			3,488,592	(3,722,139)						(233,547)	3,722,139
Security Aid	23-495-034-5120-084	690,856	07/01/2022	06/30/2023				655,317	(690,856)						(35,539)	690,856
Transportation Aid	23-495-034-5120-014	1,236,076	07/01/2022	06/30/2023				1,172,491	(1,236,076)						(63,585)	1,236,076
Extraordinary Aid	23-495-034-5120-044	1,505,485	07/01/2022	06/30/2023					(1,505,485)							1,505,485
Extraordinary Aid	22-495-034-5120-044	888,780	07/01/2021	06/30/2022	(888,780)			888,780								
Transportation Cost in Excess	22-495-034-5120-014	98,691	07/01/2021	06/30/2022	(98,691)			98,691								
Transportation Cost in Excess	23-495-034-5120-014	108,156	07/01/2022	06/30/2023					(108,156)							108,156
School Security Grant	NA	109,105	07/01/2022	06/30/2023				109,105	(109,105)							109,105
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	23-495-034-5094-001	3,129,010	07/01/2022	06/30/2023				3,129,010	(3,129,010)							3,129,010
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	23-495-034-5094-002	11,911,071	07/01/2022	06/30/2023				11,911,071	(11,911,071)							11,911,071
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	23-495-034-5094-004	5,111	07/01/2022	06/30/2023				5,111	(5,111)							5,111
Reimbursed Social Security Aid	23-100-034-5095-003	2,511,685	07/01/2022	06/30/2023				2,511,685	(2,511,685)							2,511,685
Total General Fund					(987,471)			23,969,833	(24,928,694)			(1,613,641)			(332,671)	24,928,694
Special Revenue:																
Preschool Education	23-495-034-5120-086	132,000	07/01/2022	06/30/2023				118,800	(132,000)						(13,200)	132,000
N.J. Nonpublic Aid:																
Textbooks	22-100-034-5120-064	69,323	07/01/2021	06/30/2022	2,053						(2,053)					
Textbooks	23-100-034-5120-064	75,636	07/01/2022	06/30/2023				75,636	(74,252)					1,384		74,252
Nursing Services	23-100-034-5120-070	240,800	07/01/2022	06/30/2023				240,800	(198,760)					42,040		198,760
Nursing Services	22-100-034-5120-070	239,344	07/01/2021	06/30/2022	96,931						(96,931)					
Technology	22-100-034-5120-373	48,510	07/01/2021	06/30/2022	3,458						(3,458)					
Technology	23-100-034-5120-373	48,132	07/01/2022	06/30/2023				48,132	(43,628)					4,504		43,628
Security	22-100-034-5120-084	229,425	07/01/2021	06/30/2022	5,700						(5,700)					
Security	23-100-034-5120-084	273,675	07/01/2022	06/30/2023				273,675	(273,003)					672		273,003
English as a Second Language	23-100-034-5120-067	9,721	07/01/2022	06/30/2023				9,721	(9,721)							9,721
English as a Second Language	22-100-034-5120-067	7,508	07/01/2021	06/30/2022	1,827						(1,827)					
Compensatory Education	23-100-034-5120-067	54,158	07/01/2022	06/30/2023				54,158	(47,914)					6,214		47,944
Compensatory Education	22-100-034-5120-067	38,789	07/01/2021	06/30/2022	4,792						(4,792)					
Home Instruction	22-100-034-5120-067	424	07/01/2021	06/30/2022	(424)			424								
Home Instruction	23-100-034-5120-067	2,960	07/01/2022	06/30/2023					(2,960)			(2,960)				2,960
Exam. and Class.	23-100-034-5120-066	116,020	07/01/2022	06/30/2023				116,020	(94,793)					21,227		94,793
Exam. and Class.	22-100-034-5120-066	105,790	07/01/2021	06/30/2022	7,771						(7,771)					
Corrective Speech	23-100-034-5120-066	28,272	07/01/2022	06/30/2023				28,272	(28,272)							28,272
Corrective Speech	22-100-034-5120-066	32,178	07/01/2021	06/30/2022												
Supplementary Instruction	22-100-034-5120-066	72,688	07/01/2021	06/30/2022	14,042						(14,042)					
Supplementary Instruction	23-100-034-5120-066	58,150	07/01/2022	06/30/2023				58,150	(58,150)							58,150
SDA Emergent	23-100-034-5120-066	87,782	07/01/2022	06/30/2023				87,782	(87,782)							87,782
Total Special Revenue Fund					136,150			1,111,570	(1,051,265)			(136,374)		76,041	(13,200)	1,051,265
Debt Service:																
Debt Service Aid Type II	23-495-034-5120-125	844,931	07/01/2022	06/30/2023				844,931	(844,931)							844,931
State Department of Agriculture																
Enterprise Fund:																
National School Lunch Program:																
State Share	23-100-010-3350-023	31,726	07/01/2022	06/30/2023				29,021	(31,726)			(2,705)				31,726
State Share	22-100-010-3350-023	40,430	07/01/2021	06/30/2022	(8,521)			8,521								
National School Lunch Program:																
State Share	23-100-010-3350-023	2,004	07/01/2022	06/30/2023				1,778	(2,004)			(226)				2,004
Total Enterprise Fund					(8,521)			39,320	(33,730)			(2,931)				33,730
Total State Financial Assistance					\$ (859,842)			23,963,674	(26,858,620)			(136,574)		76,041	(515,871)	26,858,620

Less: State Financial Assistance Not Subject to Major Program Determination:

On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	\$ 3,129,010
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	11,911,071
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	5,111

Total State Financial Assistance Subject to Major Program Determination

\$ (11,815,428)

**BOARD OF EDUCATION**

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**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE**

**JUNE 30, 2023**

**NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Lawrence Township School District. The Board of Education is defined in Note 1(A) to the Board’s general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed other government agencies is included on the schedule of federal awards and state financial assistance.

**NOTE 2: Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in the Note 1(C) to the Board’s general-purpose financial statements.

**NOTE 3: Relationship to General Purpose Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is as stated in the accompanying analysis. See Note 1 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 general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>					
Actual Amounts (Budgetary "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 24,928,694	1,051,265	844,931	33,730	26,858,620
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized		26,540			26,540
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>33,971</u>				<u>33,971</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 24,962,665</u>	<u>1,077,805</u>	<u>844,931</u>	<u>33,730</u>	<u>26,919,131</u>

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of Federal					
Awards					
	\$ 81,336	3,133,424		1,041,415	4,256,175
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP in that					
Encumbrances are Recognized as					
Expenditures, and the Related					
Revenue is Recognized					
		(555,210)			(555,210)
Total Federal Revenue as					
Reported on the Statement					
of Revenue, Expenditures					
and Changes in Fund					
Balances					
	<u>\$ 81,336</u>	<u>2,578,214</u>	<u>0</u>	<u>1,041,415</u>	<u>3,700,965</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: Other**

The amount reported as TPAF Pension Contributions 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. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

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

*Part I - Summary of Auditor's Results*

**Financial Statement Section**

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?                      Yes     x     No

2) Were reportable conditions(s) identified that were not considered to be material weaknesses?                      Yes     x     No

(C) Noncompliance material to general purpose financial statements noted?                      Yes     x     No

**Federal Awards Section**

(D) Dollar threshold used to determine Typed A programs:                      \$750,000

(E) Auditee qualified as low-risk auditee?     x     Yes                      No

(F) Type of auditor's report on compliance for major programs:                      Unmodified

(G) Internal control over compliance:

1) Material weakness(es) identified?                      Yes     x     No

2) Were reportable condition(s) identified that were not considered to material weaknesses?                      Yes     x     No

(H) Any audit findings disclosed that are required to be reported  
Uniform Administrative Requirements Cost Principles and Audit  
Requirements for Federal Awards 2 CFR 200                      Yes     x     No

(I) Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

84.027	I.D.E.A. Part B (Special Education Cluster)
84.173	I.D.E.A. Preschool (Special Education Cluster)
84.027X	ARP IDEA Part B (Special Education Cluster)
84.173X	ARP Preschool (Special Education Cluster)
84.425U	ARP ESSER II
84.425U	ARP Homeless
84.425D	CRRSA/ESSER II
84.425D	CRRSA Mental Health

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

*Part 1 - Summary of Auditor's Results (Continued)*

**State Awards Section**

(J) Dollar threshold used to determine Type A programs: \$750,000

(K) Auditee qualified as low-risk auditee?  x  Yes   No

(L) Type of auditor's report on compliance for major programs: Unmodified

(M) Internal control over compliance:

(1) Material Weakness(es) identified?   Yes  x  No

(2) Were reportable condition(s) identified that were not considered to material weaknesses?   Yes  x  No

(N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08?   Yes  x  No

(O) Identification of major programs:

**GMIS Number(s)**

23-495-034-5120-084  
23-495-034-5120-089  
23-495-034-5095-002

**Name of State Program**

Security Aid (State Aid Public Cluster)  
Special Education Aid (State Aid Public Cluster)  
Reimbursed Social Security

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

*Part 2 - Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

**FEDERAL AWARDS**

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

**STATE AWARDS**

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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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, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

**Prior Audit Findings:**

None