

**LEBANON TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2023

**Responsibility of the Management of
Lebanon Township School District
Hunterdon County, New Jersey**



**LEBANON TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

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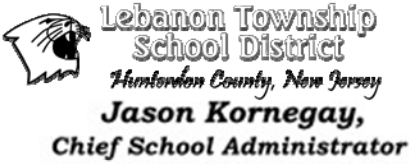
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Lebanon Township Board of Education

Kelly Morris, School Business Administrator
70 Bunnvale Road, Califon, NJ 07830 | (908) 638-4521 | www.lebtwpk8.org

Empowering People. Dedicated to Learning. Committed to Growth.

November 22, 2023

Honorable President and Members of the Board of Education
Lebanon Township School District
70 Bunnvale Road
Califon, NJ 07830

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Lebanon Township School District for the fiscal year ending June 30, 2023 is hereby submitted. 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 District. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present, fairly, the financial position and results of the operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections, Introduction, Financial, Statistical and Single audit. The Introduction Section also includes the Letter of Transmittal, the District's Organizational Chart, Roster of Officials, and Consultants and Advisors. The Financial Section includes the Basic Financial Statements and schedules, as well as the auditor's report, therein. The Statistical Section includes financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to the single audit, including the auditor's reports on internal control structure and compliance with applicable law and regulations and findings are included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Lebanon Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as stated by Statement No. 14. All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels preschool to twelve as well as special education. The District completed the 2022-2023 fiscal year with an average daily enrollment of 581.2 students, which is a 0.75% decrease from the previous year's enrollment. The following details the change in the student enrollment of the over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2013-2014	724.6	2.07%
2014-2015	687.5	-5.12%
2015-2016	659.5	-4.07%
2016-2017	624.2	-5.35%
2017-2018	590.5	-5.40%
2018-2019	626.5	6.10%
2019-2020	623.8	-0.43%
2020-2021	574.7	-7.87%
2021-2022	586.2	1.99%
2022-2023	581.8	-0.75%

- ECONOMIC CONDITION AND OUTLOOK:** The Lebanon Township area is largely residential. There are relatively few business enterprises on the tax rolls. The Lebanon Township School District is in a sound financial position with reserves sufficient to maintain its facilities and provide a strong educational program for the benefit of all township residents. However, the anticipated continuation of reduction in State Aid over the next few years may continue to create financial burdens in order to continue to provide our current educational programs.
- MAJOR INITIATIVES:** The Lebanon Township School District continues to dedicate resources toward providing the best possible education for our students. We have made a commitment to continue to use a balance of responsible assessment programs, current technology, and sound instructional methods. In order to support these initiatives, the district has dedicated resources for professional development activities for staff members. In an effort to ensure that our students are able to compete in an increasingly complex work world, we continue to invest in technology for our classrooms. Our students have access to individual electronic devices as well as classroom-based technology. Investing in hardware and human resources for the teaching of technology will serve our students well as they enter high school and, ultimately, the world of work.

Our district has for many years sought opportunities to share services with other districts in order to maintain program efficacy and to act in a fiscally responsible manner. We continue this commitment with several shared services agreements. One such agreement is for the provision of educational delivery to all Hampton Borough students in grades 6th through 8th through a send/receive tuition agreement. We also offer programs for special needs students from other districts on a tuition basis.

Finally, we continue to work in partnership with the Lebanon Township municipality for various security, facilities and grounds related tasks, and with Hunterdon County Educational Services Commission for transportation, technology, and various educational services. We are proud of our schools and continue to look for new ways to share our expertise and save taxpayer money through the expertise of other local government organizations.

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

As a recipient of Federal and State financial assistance, the District, is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. The internal control structure is also subject to periodic evaluation by District Management.

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

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-by-line basis.

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

7. **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial sections of this report, the District continues to meet its responsibility for sound financial management.

8. **CASH MANAGEMENT:** The investment policy of the District is guided in a large part by the State as detailed in the Notes to the Financial Statements, Note 3. The District has adopted a cash management plan requiring it to deposit public funds in public depositories protected from loss under provisions of the Government Unit Deposit Protection Act (GUDPA). GUDPA was enacted 1970 to protect government units from a loss of funds in deposits with failed banking institutions in New Jersey. The law requires government units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

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

10. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The District selected the accounting firm of BKC, CPAs, PC. In addition to meeting the requirements set forth in the statute, the audit was also designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditor's report on the general-purpose financial statements and schedules are included in the Financial Section of the report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. **ACKNOWLEDGMENTS:** We would like to express our sincere appreciation to the members of the Lebanon Township Board of Education for their dedication to providing fiscal accountability to the citizens and taxpayers of the District and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the District's Staff.

Respectfully Submitted,

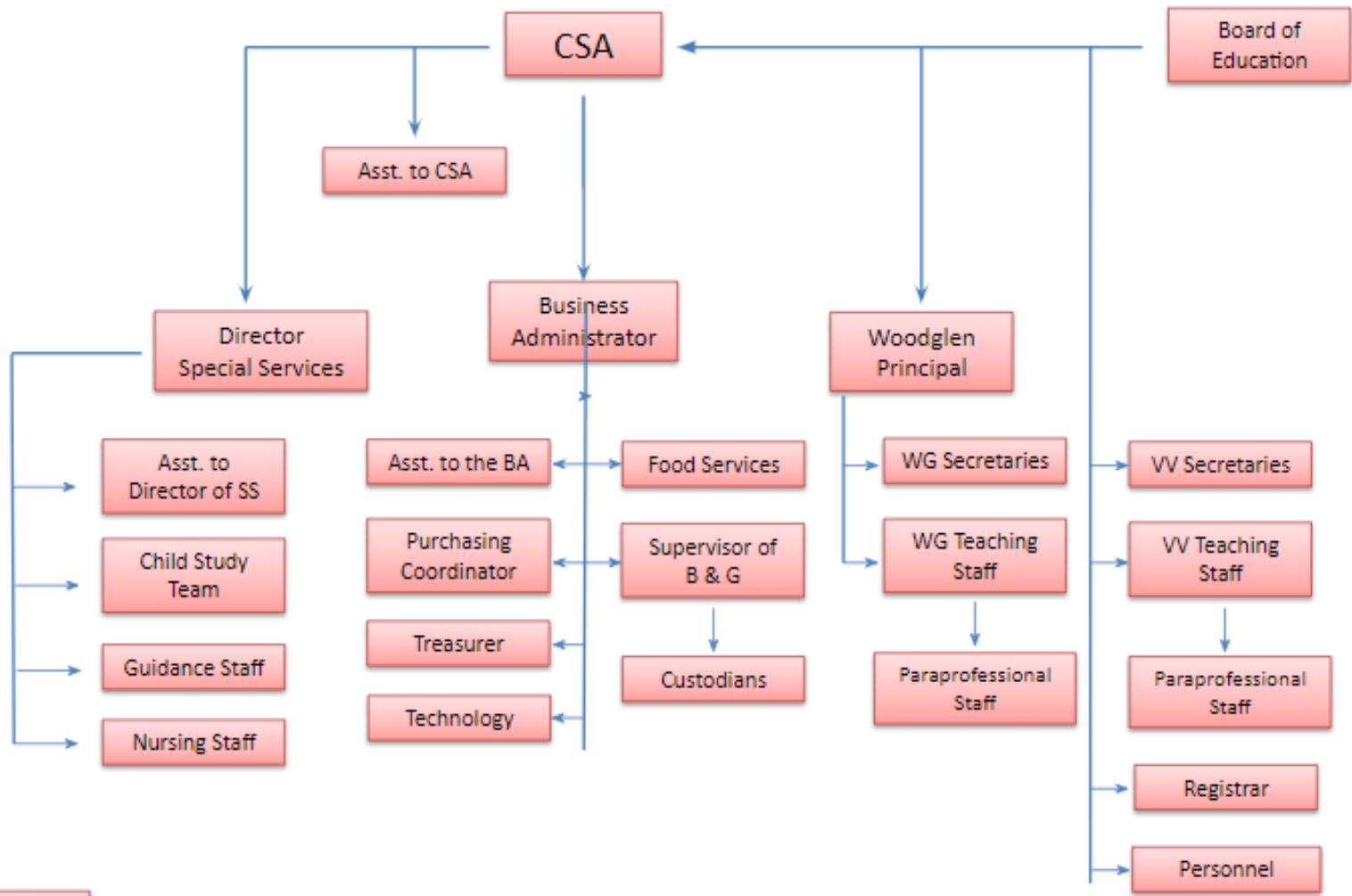


Jason Kornegay
Superintendent



Kelly Morris
School Business Administrator/Board Secretary

Lebanon Township School District Organizational Chart



As of 07.2023

LEBANON TOWNSHIP SCHOOL DISTRICT
Roster of Officials
June 30, 2023

Members of the Board of Education	Title	Term Expires
Stephanie Cahill	President	2025
Barton Lagomarsino	Vice President	2024
Darek Merkel		2023
Ronald Pojedinec		2023
Kiersten Robbins		2023
Michele Korfin		2024
Karen Williams		2024
Erica Balzer		2025
Ben Damiano		2025

Other Officials	Title
Jason Kornegay	Chief School Administrator
Kelly Morris	Board Secretary/School Business Administrator
Joseph Schneider	Treasurer

LEBANON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors
June 30, 2023

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

BOARD ATTORNEY

Comegno Law Group
521 Pleasant Valley Avenue
Moorestown, NJ 08057

OFFICIAL DEPOSITORY

Citizens Bank



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Lebanon Township School District
Califon, New Jersey

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lebanon Township School District (the District) in the County of Hunterdon, 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 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 District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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 Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of 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, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion 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 November 22, 2023, on our consideration of the District's internal control over financial reporting and on 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

November 22, 2023
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position increased \$918,139 which represents a 10.75% increase from fiscal year 2022.
- General revenues accounted for \$17,711,738 in revenue or 92.90% of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,354,393 or 7.10% to total revenues of \$19,066,131.
- The School District had \$18,147,992 in expenses; only \$1,354,393 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$17,711,738 were adequate to provide for these programs.
- Among major funds, the general fund had \$16,899,022 in revenues, \$18,244,922 in expenditures and \$98,044 in other financing sources. The general fund's balance decreased \$1,247,856 from 2022.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the School District's net position and changes in position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provided.

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2023 compared to June 30, 2022.

Table 1
Net Position

	06/30/2023	06/30/2022	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 6,352,034	\$ 7,504,612	\$ (1,152,578)	-15.36%
Capital assets	6,243,100	4,473,906	1,769,194	39.54%
Total assets	<u>12,595,134</u>	<u>11,978,518</u>	<u>616,616</u>	<u>5.15%</u>
Deferred pension activity				
Total deferred outflow of resources	464,163	459,904	4,259	0.93%
Liabilities				
Long-term liabilities	2,500,240	2,265,359	234,881	10.37%
Other liabilities	381,110	163,943	217,167	132.46%
Total liabilities	<u>2,881,350</u>	<u>2,429,302</u>	<u>452,048</u>	<u>18.61%</u>
Deferred pension activity				
Total deferred inflow of resources	719,528	1,468,840	(749,312)	-51.01%
Net position				
Net investment in capital assets	6,243,100	4,473,906	1,769,194	39.54%
Restricted	3,599,810	2,927,806	672,004	22.95%
Unrestricted	(384,491)	1,138,568	(1,523,059)	-133.77%
Total net position	<u>\$ 9,458,419</u>	<u>\$ 8,540,280</u>	<u>\$ 918,139</u>	<u>10.75%</u>

Total assets increased \$616,616. Cash and cash equivalents decreased by \$1,083,435, receivables and other assets decreased by \$69,143, and capital assets increased by \$1,769,194. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District, decreased by \$1,523,059.

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for fiscal year ended June 30, 2023 compared to June 30, 2022.

Table 2
Changes in Net Position

	06/30/2023	06/30/2022	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Changes for services	\$ 844,327	\$ 540,543	\$ 303,784	56.20%
Operating grants	510,066	635,312	(125,246)	-19.71%
General revenues				
Property taxes	11,108,605	10,744,210	364,395	3.39%
Unrestricted grants	6,498,117	7,703,009	(1,204,892)	-15.64%
Other	105,016	34,679	70,337	202.82%
Total revenues	<u>19,066,131</u>	<u>19,657,753</u>	<u>(591,622)</u>	-3.01%
Program expenses				
Instruction				
Regular	7,518,992	7,469,212	49,780	0.67%
Special	3,407,848	3,496,600	(88,752)	-2.54%
Other Special	269,965	310,517	(40,552)	-13.06%
Other	85,732	116,624	(30,892)	-26.49%
Support services				
Tuition	191,070	154,661	36,409	23.54%
Student & instructional related services	2,957,176	3,285,097	(327,921)	-9.98%
General & business administration	909,791	709,942	199,849	28.15%
School administration	500,479	660,778	(160,299)	-24.26%
Plant operations & maintenance	1,467,532	1,149,442	318,090	27.67%
Transportation	597,108	557,204	39,904	7.16%
Transfer to charter school	-	15,022	(15,022)	-100.00%
Food service	240,134	251,835	(11,701)	-4.65%
Interest on long term debt	2,165	2,165	-	0.00%
Total expenses	<u>18,147,992</u>	<u>18,179,099</u>	<u>(31,107)</u>	-0.17%
Increase (decrease) before special items	918,139	1,478,654	(560,515)	-37.91%
Special items				
Gain (loss) on disposal of equipment	-	(720)	720	100.00%
Change in net position	<u>\$ 918,139</u>	<u>\$ 1,477,934</u>	<u>\$ (559,795)</u>	-37.88%

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Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 58.97% of revenues for governmental activities for the Lebanon Township School District for fiscal year 2023.

Instruction comprises 62.17% of the District's expenses. Support service expenses and interest on debt make up 37.83% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 show the total cost of services and the net cost of services for 2023 and 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2023 compared to June 30, 2022.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Instruction	\$ 11,282,537	\$ 11,392,953	\$ 10,439,089	\$ 10,787,250
Support services				
Tuition	191,070	154,661	39,095	-
Student & instructional staff	2,957,176	3,285,097	2,886,943	3,233,627
General & business administration	909,791	709,942	909,791	709,942
School administration	500,479	660,778	500,479	660,778
Plant operations & maintenance	1,467,532	1,149,442	1,454,306	1,135,200
Pupil transportation	597,108	557,204	550,991	547,689
Transfer to charter school	-	15,022	-	15,022
Food services	240,134	251,835	10,740	(88,429)
Interest on long-term debt	2,165	2,165	2,165	2,165
Total expenses	<u>\$ 18,147,992</u>	<u>\$ 18,179,099</u>	<u>\$ 16,793,599</u>	<u>\$ 17,003,244</u>

Instructional expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student.

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
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Unaudited

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

Operation and maintenance of facilities activities involve keeping the School grounds, buildings and equipment in a safe and effective working condition.

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.

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

The dependence upon tax revenues is apparent. For all activities general revenue support is 92.90%. The community, as a whole, is the primary support or funding source for the Lebanon Township School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$17,374,632 and expenditures of \$18,715,468. The net positive change in fund balance for the year was most significant in the general fund, reflecting an decrease of \$1,247,856.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2023, the School District amended its general fund budget as needed.

The School District uses program-based budgeting. The budgeting systems are designed to tightly control total program budgets but provide the flexibility for program management.

For the general fund, budgetary basis revenues and other financing sources were \$13,824,756, \$589,534 over original budgeted estimates of \$13,235,222.

The general fund expenditures of the School District exceeded revenues by \$1,271,702. The financial position of the School District highlights the dependency on the tax levy as well as the limitations of the 2% cap.

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Capital Assets

At the end of the fiscal year 2023, the School District had \$6,243,100 invested in land, building, furniture and equipment. Table 4 provides a summary of the School District's capital assets net of depreciation for the fiscal year ended June 30, 2023 compared to June 30, 2022.

Table 4
Capital Assets at Year-end (Net of Depreciation)

	06/30/2023	06/30/2022	Variance	
			Dollars	Percent
Land	\$ 61,672	\$ 61,672	\$ -	0.00%
Construction in progress	-	122,641	(122,641)	-100.00%
Building & improvements	5,908,030	3,984,651	1,923,379	48.27%
Furniture & equipment	273,398	304,942	(31,544)	-10.34%
	<u>\$ 6,243,100</u>	<u>\$ 4,473,906</u>	<u>\$ 1,769,194</u>	39.54%

Overall capital assets increased by \$1,769,194 from fiscal year 2022 to fiscal year 2023. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2023, the School District had \$2,500,240 in long-term liabilities. This amount is detailed in Table 5 below for June 30, 2023 compared to June 30, 2022.

Table 5
Long-term Liabilities

	06/30/2023	06/30/2022	Variance	
			Dollars	Percent
Compensated absences liability	\$ 226,436	\$ 275,051	\$ (48,615)	-17.67%
Net pension liability	2,273,804	1,990,308	283,496	14.24%
	<u>\$ 2,500,240</u>	<u>\$ 2,265,359</u>	<u>\$ 234,881</u>	10.37%

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

For the Future

The Lebanon Township School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes in light of possible state funding decreases. However, future finances are not without challenges as the community continues to grow and state funding is expected to decrease.

It has been increasingly difficult to balance educational needs with increases in property tax rates. The frozen state aid to offset local property taxes in a predominately bedroom community is thought to be the main reason for the problem. This problem seems to be statewide and is not exclusive to the Lebanon Township School District. The Lebanon Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden.

In conclusion, the Lebanon Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at Lebanon Township School District, 70 Bunnvale Road, Califon, NJ 07830.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

LEBANON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,009,376	\$ 104,710	\$ 2,114,086
Due from other funds	2,690	-	2,690
Receivables, net	624,635	2,798	627,433
Inventory	-	8,015	8,015
Restricted assets			
Capital reserve account - cash	2,600,415	-	2,600,415
Emergency reserve - cash	250,000	-	250,000
Maintenance reserve - cash	542,211	-	542,211
Student activities - cash	37,128	-	37,128
Unemployment claims - cash	170,056	-	170,056
Capital assets, net			
Land	61,672	-	61,672
Other capital assets, net of depreciation	6,123,725	57,703	6,181,428
Total assets	12,421,908	173,226	12,595,134
Deferred outflows of resources			
Deferred amount on pension activity	464,163	-	464,163
Liabilities			
Accounts payable	188,673	10,147	198,820
Due to other funds	-	2,690	2,690
Payroll deductions and withholdings payable	164,446	-	164,446
Unearned revenue	9,779	5,375	15,154
Long-term liabilities			
Due beyond one year	2,500,240	-	2,500,240
Total liabilities	2,863,138	18,212	2,881,350
Deferred inflows of resources			
Deferred amount on pension liability	719,528	-	719,528

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 6,185,397	\$ 57,703	\$ 6,243,100
Restricted for			
Capital reserve	2,600,415	-	2,600,415
Emergency reserve	250,000	-	250,000
Maintenance reserve	542,211	-	542,211
Student Activities	37,128	-	37,128
Unemployment claims	170,056	-	170,056
Unrestricted	(481,802)	97,311	(384,491)
Total net position	\$ 9,303,405	\$ 155,014	\$ 9,458,419

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,928,308	\$ 3,590,685	\$ 603,272	\$ 229,061	\$ -	\$ (6,686,660)	\$ -	\$ (6,686,660)
Special education	1,929,528	1,478,320	-	2,287	-	(3,405,561)	-	(3,405,561)
Other special education	122,505	147,460	-	8,829	-	(261,136)	-	(261,136)
Other instruction	82,769	2,963	-	-	-	(85,732)	-	(85,732)
Support services								
Tuition	191,070	-	-	151,975	-	(39,095)	-	(39,095)
Students and instruction related services	1,701,926	1,255,249	45,892	24,340	-	(2,886,943)	-	(2,886,943)
General and business administration services	656,651	253,140	-	-	-	(909,791)	-	(909,791)
School administration services	290,203	210,276	-	-	-	(500,479)	-	(500,479)
Plant operations and maintenance	1,310,784	156,748	-	13,226	-	(1,454,306)	-	(1,454,306)
Pupil transportation	597,108	-	46,117	-	-	(550,991)	-	(550,991)
Interest on long-term debt	2,165	-	-	-	-	(2,165)	-	(2,165)
Total governmental activities	<u>10,813,017</u>	<u>7,094,841</u>	<u>695,281</u>	<u>429,718</u>	<u>-</u>	<u>(16,782,859)</u>	<u>-</u>	<u>(16,782,859)</u>
Business-type activities								
Food service	240,134	-	149,046	80,348	-	-	(10,740)	(10,740)
Total business-type activities	<u>240,134</u>	<u>-</u>	<u>149,046</u>	<u>80,348</u>	<u>-</u>	<u>-</u>	<u>(10,740)</u>	<u>(10,740)</u>
Total primary government	<u>\$ 11,053,151</u>	<u>\$ 7,094,841</u>	<u>\$ 844,327</u>	<u>\$ 510,066</u>	<u>\$ -</u>	<u>(16,782,859)</u>	<u>(10,740)</u>	<u>(16,793,599)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						11,108,605	-	11,108,605
Federal and state aid not restricted						6,498,117	-	6,498,117
Investment earnings						66,133	-	66,133
Miscellaneous income						38,633	250	38,883
Total general revenues, special items and transfers						<u>17,711,488</u>	<u>250</u>	<u>17,711,738</u>
Change in net position						928,629	(10,490)	918,139
Net position - beginning						8,374,776	165,504	8,540,280
Net position - ending						<u>\$ 9,303,405</u>	<u>\$ 155,014</u>	<u>\$ 9,458,419</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,009,376	\$ -	\$ -	\$ -	\$ 2,009,376
Due from other funds	110,528	-	-	-	110,528
Receivables from other governments					
State	500,438	-	-	-	500,438
Federal	-	111,987	-	-	111,987
Other accounts receivable	3,960	8,250	-	-	12,210
Restricted cash and cash equivalents	3,562,682	37,128	-	-	3,599,810
Total assets	\$ 6,186,984	\$ 157,365	\$ -	\$ -	\$ 6,344,349
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 107,838	\$ -	\$ -	\$ 107,838
Accounts payable	184,053	4,620	-	-	188,673
Payroll deductions and withholdings payable	164,446	-	-	-	164,446
Unearned revenue	2,000	7,779	-	-	9,779
Total liabilities	350,499	120,237	-	-	470,736

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 599,141	\$ -	\$ -	\$ -	\$ 599,141
Excess surplus - current year	680,079	-	-	-	680,079
Capital reserve	2,600,415	-	-	-	2,600,415
Emergency reserve	250,000	-	-	-	250,000
Maintenance reserve	542,211	-	-	-	542,211
Student activities	-	37,128	-	-	37,128
Unemployment claims	170,056	-	-	-	170,056
Committed fund balance					
Year-end encumbrances	98,528	-	-	-	98,528
Assigned fund balance					
Designated for subsequent year's expenditures	276,669	-	-	-	276,669
Unassigned fund balance	619,386	-	-	-	619,386
Total fund balances	<u>5,836,485</u>	<u>37,128</u>	<u>-</u>	<u>-</u>	<u>5,873,613</u>
Total liabilities and fund balances	<u>\$ 6,186,984</u>	<u>\$ 157,365</u>	<u>\$ -</u>	<u>\$ -</u>	

Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$13,656,329 and the accumulated depreciation is \$7,470,932.	6,185,397
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(255,365)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(2,500,240)</u>
Total net position of governmental activities	<u>\$ 9,303,405</u>

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 11,108,605	\$ -	\$ -	\$ -	\$ 11,108,605
Transportation fees	46,117	-	-	-	46,117
Tuition					
Individuals	32,250	-	-	-	32,250
Other LEAs	571,022	-	-	-	571,022
Interest on investments	66,133	-	-	-	66,133
Miscellaneous	38,633	55,145	-	-	93,778
Total local sources	11,862,760	55,145	-	-	11,917,905
Federal sources	-	407,239	-	-	407,239
State sources	5,036,262	13,226	-	-	5,049,488
Total revenues	16,899,022	475,610	-	-	17,374,632
Expenditures					
Current					
Instructional					
Regular instruction	3,699,247	229,061	-	-	3,928,308
Special education instruction	1,927,241	2,287	-	-	1,929,528
Other special instruction	113,676	8,829	-	-	122,505
Other instruction	82,769	-	-	-	82,769
Support service and undistributed costs					
Tuition	39,095	151,975	-	-	191,070
Student and instruction related services	1,636,758	65,168	-	-	1,701,926
General and business administrative services	656,651	-	-	-	656,651
School administrative services	290,203	-	-	-	290,203
Plant operations and maintenance	1,297,558	13,226	-	-	1,310,784
Pupil transportation	597,108	-	-	-	597,108
Unallocated benefits	5,823,060	-	-	-	5,823,060

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 2,079,391	\$ -	\$ -	\$ -	\$ 2,079,391
Debt service					
Interest & other charges	2,165	-	-	-	2,165
Total expenditures	<u>18,244,922</u>	<u>470,546</u>	<u>-</u>	<u>-</u>	<u>18,715,468</u>
Excess (deficit) of revenues over (under) expenditures	(1,345,900)	5,064	-	-	(1,340,836)
Other financing sources (uses)					
Transfer	98,044	-	(98,044)	-	-
Total other financing sources (uses)	<u>98,044</u>	<u>-</u>	<u>(98,044)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,247,856)	5,064	(98,044)	-	(1,340,836)
Fund balances, July 1	<u>7,084,341</u>	<u>32,064</u>	<u>98,044</u>	<u>-</u>	<u>7,214,449</u>
Fund balances, June 30	<u>\$ 5,836,485</u>	<u>\$ 37,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,873,613</u>

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Total net changes in fund balances - governmental fund (from B-2) \$ (1,340,836)

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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 2,079,391	
Depreciation expense	<u>(328,616)</u>	1,750,775

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 470,075

In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. 48,615

Change in net position of governmental activities \$ 928,629

LEBANON TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2023

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 104,710
Receivables from other governments	
State	175
Federal	2,623
Inventory	8,015
Total current assets	<u>115,523</u>
Noncurrent assets	
Capital assets	149,832
Less: accumulated depreciation	92,129
Total noncurrent assets	<u>57,703</u>
Total assets	<u>173,226</u>
Liabilities	
Current liabilities	
Unearned revenues - commodities	4,310
Unearned revenues - prepaid sales	1,065
Interfund payable	2,690
Accounts payable	10,147
Total liabilities	<u>18,212</u>
Net position	
Net investment in capital assets	57,703
Unrestricted	97,311
Total net position	<u>\$ 155,014</u>

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

	<u>Food Service Fund</u>
Operating revenues	
Daily sales - reimbursable programs	\$ 96,538
Daily sales - nonreimbursable programs	52,508
Total operating revenues	<u>149,046</u>
Operating expenses	
Cost of sales - reimbursable programs	66,959
Cost of sales - nonreimbursable programs	26,040
Commodity food costs	24,910
Salaries	58,656
Supports services - employee benefits	8,445
Purchased professional and technical services	1,869
Purchased property services	9,545
Other purchased services	
Insurance	9,055
Management fee	8,840
Supplies and materials	18,964
Depreciation	6,851
Total operating expenses	<u>240,134</u>
Operating income (loss)	<u>(91,088)</u>
Non-operating revenues (expenses)	
State sources	
State school lunch program	2,762
Federal sources	
National school lunch program	
Cash assistance	43,161
Non-cash assistance (commodities)	24,910
Supply chain assistance	9,515
Other sources	
Miscellaneous	250
Total non-operating revenues (expenses)	<u>80,598</u>
Change in net position	(10,490)
Net position, beginning	<u>165,504</u>
Net position, ending	<u>\$ 155,014</u>

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2023

	Food Service Fund
Cash flows from operating activities	
Receipts from customers	\$ 143,074
Payments to Food Service Management Company	(167,923)
Payments to vendors (net)	(35,377)
Net cash provided by (used for) operating activities	(60,226)
Cash flows from non-capital financing activities	
State sources	3,101
Federal sources	78,383
Miscellaneous	250
Net interfund transactions	25,563
Net cash provided by (used for) non-capital financing activities	107,297
Cash flows from capital financing activities	
Acquisition of equipment	(25,270)
Net cash provided by (used for) investing activities	(25,270)
Net increase (decrease) in cash and cash equivalents	21,801
Cash and cash equivalents, beginning	82,909
Cash and cash equivalents, ending	\$ 104,710
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating activities	
Operating income (loss)	\$ (91,088)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	6,851
Federal food donation program	24,910
(Increase) decrease in accounts receivable	824
Increase (decrease) in accounts payable	2,759
(Increase) decrease in inventory	221
Increase (decrease) in unearned revenue	(4,703)
Net cash provided by (used for) operating activities	\$ (60,226)

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Lebanon Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, 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 K-8. The District had an approximate enrollment at June 30, 2023 of 587 students.

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

1. The Organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the Organization.
3. The District appoints a voting majority of the Organization's Board.
4. The District is able to impose its will on the Organization.
5. The Organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the Organization on the District.

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

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

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

The District did not utilize the debt service fund during the fiscal year.

Additionally, the District reports the following fund types:

Proprietary fund types

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)
Proprietary fund types (continued)

Enterprise Fund - The enterprise 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; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. 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 and, if necessary, are voted upon at the annual school election in November. 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. 6:20-2A.2(m)1. All budget amendments must be approved by School Board Resolution.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. 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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. 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 unearned 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.

F. Tuition receivable

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

G. Tuition payable

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

H. Short-term interfund receivable and payables

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

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

K. Compensated absences

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

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

O. Fund balances - governmental funds

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

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

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension Contributions, reimbursed TPAF Social Security Contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

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

Note 3 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash, and certificates of deposit in banks. As of June 30, 2023, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2023, the District’s bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	5,832,306
Total bank balances	\$ 6,082,306

Deposits at June 30, 2023 appear in the financial statements as summarized below:

Cash and cash equivalents		\$ 5,713,896
	<u>Ref.</u>	
Unrestricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	\$ 2,009,376
Enterprise funds, Statement of Net Position	B-4	104,710
Restricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	3,599,810
Total cash and cash equivalents		\$ 5,713,896

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 61,672	\$ -	\$ -	\$ 61,672
Construction in progress	122,641	2,030,835	2,153,476	-
Total	<u>184,313</u>	<u>2,030,835</u>	<u>2,153,476</u>	<u>61,672</u>
Capital assets, being depreciated				
Building & improvements	10,555,004	2,176,621	-	12,731,625
Furniture & equipment	837,621	25,411	-	863,032
Total	<u>11,392,625</u>	<u>2,202,032</u>	<u>-</u>	<u>13,594,657</u>
Accumulated depreciation				
Building & improvements	6,570,353	253,242	-	6,823,595
Furniture & equipment	571,963	75,374	-	647,337
Total	<u>7,142,316</u>	<u>328,616</u>	<u>-</u>	<u>7,470,932</u>
Total capital assets, being depreciated, net	<u>4,250,309</u>	<u>1,873,416</u>	<u>-</u>	<u>6,123,725</u>
Transfer	<u>-</u>	<u>(2,153,476)</u>	<u>(2,153,476)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 4,434,622</u>	<u>\$ 1,750,775</u>	<u>\$ -</u>	<u>\$ 6,185,397</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 124,562	\$ 25,270	\$ -	\$ 149,832
Less: accumulated depreciation	85,278	6,851	-	92,129
Business type activities capital assets, net	<u>\$ 39,284</u>	<u>\$ 18,419</u>	<u>\$ -</u>	<u>\$ 57,703</u>

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction			
Regular	\$	140,627	
Special education		69,075	
Other special instruction		4,386	
Other instruction		2,963	
Support services			
Student & instruction		60,927	
General & business administration		23,507	
School administration		10,389	
Plant maintenance		16,742	
Total depreciation expense, governmental activities	\$	328,616	

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences payable	\$ 275,051	\$ -	\$ 48,615	\$ 226,436	\$ -
PERS net pension liability	1,990,308	283,496	-	2,273,804	-
Total governmental activities long-term liabilities	\$ 2,265,359	\$ 283,496	\$ 48,615	\$ 2,500,240	\$ -

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

The general obligation bonded debt of the District is limited by state law to 3.0% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$ 30,261,770. General obligation debt at June 30, 2023 is \$0, resulting in a legal debt margin of \$ 30,261,770.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The TPAF retirement system is considered a 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 Board and the system's other related non-contributing employers.

A. Public employees' retirement systems (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 Division's annual financial statements which can be found at 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 pension benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years 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.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial 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 excluding that attributable to employer-paid member contributions 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 Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2022 measurement date 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 measurement date.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, 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 and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are 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 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. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

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 non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Contributions (continued)

The employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for 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.

The District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 18.17% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation 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 related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective 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 non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Special funding situation (continued)

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2022:

Net pension liability	\$	2,273,804
Proportionate share		0.0150669123%
Plan fiduciary net position as a percentage of the total pension liability		62.91%

Collective net pension liability and actuarial information

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:

<u>Inflation rate</u>		
Price		2.75%
Wage		3.25%
Salary increases (based on years of service)		2.75 - 6.55%
Investment rate of return		7.00%

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

Long-term expected rate of return

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

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 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 projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

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

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 2,273,804
At a 1% lower rate (6.00%)	2,945,912
At a 1% higher rate (8.00%)	1,737,459

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2022 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,411	\$ 14,472
Changes of assumptions	7,045	340,479
Net difference between projected and actual earnings on pension plan investments	94,111	-
Changes in proportion and differences between District contributions and proportionate share of contributions	156,595	364,577
District contributions subsequent to the measurement date	190,001	-
Total	\$ 464,163	\$ 719,528

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2023, the plan measurement date is June 30, 2022) of \$190,001 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2022 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 31,390	\$ (14,979)	\$ 16,411
Changes of assumptions	10,366	(3,321)	7,045
Differences between expected and actual experience	-	94,111	94,111
Deferred inflows of resources			
Differences between expected and actual experience	(14,248)	(224)	(14,472)
Changes of assumptions	(708,562)	368,083	(340,479)
Differences between projected and actual earnings on pension plan investments	(524,299)	524,299	-
Net of deferred outflows	\$ (1,205,353)	\$ 967,969	\$ (237,384)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

Fiscal Year Ended June 30,

2023	\$ (195,045)
2024	(99,369)
2025	(48,460)
2026	105,722
2027	(232)
Total	\$ (237,384)

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense (benefit)

For the year ended June 30, 2023, the District recognized net pension expense (benefit) of (\$278,242), which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$164,671), plus the net amortization of deferred amounts from changes in proportion of (\$122,161), and plus other adjustments to the net pension liability of \$8,590. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2022 measurement date are as follows:

Service cost	\$	109,601
Interest on total pension liability		439,577
Benefit changes		1,275
Member contributions		(91,401)
Administrative expense		1,963
Expected investment return net of investment expense		(293,431)
Pension expense related to specific liabilities of individual employers		(1,575)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		5,204
Changes of assumptions		(328,586)
Difference between projected and actual investment earnings on pension plan investments		(7,298)
Pension expense (benefit)	\$	<u>(164,671)</u>

B. Teacher's pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at 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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
B. Teacher’s pension and annuity fund (TPAF) (continued)
Plan description (continued)

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Contributions

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 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. For the fiscal year 2022, the State’s pension contribution was more than the actuarial determined amount.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher’s pension and annuity fund (TPAF) (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 non-employer 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 non-employer 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 non-employer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ended June 30, 2022, the State of New Jersey contributed \$2,169,099 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2022 measurement date is as follows:

District proportionate share of net pension liability	\$	39,490,134
Less: State proportionate share of net pension liability		12,750,191
Net pension liability	\$	26,739,943
 Proportionate share		 0.0518272035%
 Plan fiduciary net position as a percentage of the total pension liability		 32.29%

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher’s pension and annuity fund (TPAF) (continued)

Actuarial assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which 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 (based on years of service)	2.75 - 5.65%
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 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2022 measurement date are summarized in the following table:

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Long-term expected rate of return

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

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 after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

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

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 26,739,943
At a 1% lower rate (6.00%)	31,353,151
At a 1% higher rate (8.00%)	22,853,894

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher’s pension and annuity fund (TPAF) (continued)

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense(benefit) related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2022 measurement date are as follows:

Service cost	\$	618,375
Interest on total pension liability		2,663,287
Benefit changes		-
Member contributions		(469,494)
Administrative expense		6,538
Expected investment return net of investment expense		(1,026,179)
Pension expense related to specific liabilities of individual employers		(205)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		103,846
Changes of assumptions		(1,240,043)
Difference between projected and actual investment earnings on pension plan investments		63,522
Pension expense(benefit)	\$	719,647

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,000 in 2023) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

C. Defined contribution retirement program

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District’s contribution to the DCRP for fiscal year ended 2023 was \$2,306.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

D. Other pension plan information

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$548,027 to the TPAF for postretirement medical benefits, \$28,547 for non-contributory insurance premiums, \$925 for long-term disability insurance, and \$2,057,607 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$415,314 during the fiscal year ended June 30, 2023 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notice.shtml>.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2022 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 50,646,462,966
District's proportionate share of the State's OPEB liability	30,636,427
Employer OPEB expense and related revenue	742,208
Allocable proportionate percentage	0.0604907534%

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2021	\$ 35,907,292
Service cost	1,438,610
Interest cost	811,899
Change of benefit terms	-
Differences between expected and actual experiences	1,475,533
Changes of assumptions	(8,218,496)
Member contributions	25,799
Gross benefit payments	(804,210)
Total OPEB liability at June 30, 2022	\$ 30,636,427

There were no changes of the benefit terms from June 30, 2021 to June 30, 2022.

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

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF and PERS.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Health care trend assumptions

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

Discount rate

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

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2022 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.54%)	\$	30,636,427
At a 1% lower rate (2.54%)		36,009,897
At a 1% higher rate (4.54%)		26,329,859

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$	30,636,427
At a 1% lower rate (1% decrease)		25,322,879
At a 1% higher rate (1% increase)		37,616,094

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$742,208 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District'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 of resources.

Note 8 - 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, permit 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 Investment Planning
 Lincoln National
 Vanguard Fiduciary Trust Co
 Equitable 457

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2023 consisted of the following:

Food	\$	1,363
Supplies		6,652
Total	<u>\$</u>	<u>8,015</u>

Note 10 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2023 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 110,528	\$ -
Special revenue fund	-	107,838
Food service fund	-	2,690
	<u>\$ 110,528</u>	<u>\$ 110,528</u>

The food service fund had an interfund payable for \$2,690 due to the general fund for additional receipts transferred to the food service fund. The special revenue fund had an interfund payable for \$107,838 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 11 - Contingent liabilities

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ unemployment trust fund for benefits paid to its former employees and charged to its account with the state. The District is billed quarterly for amounts due to the state. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

Fiscal year	Board Contrib.	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance Available for Claims
2022 - 2023	\$ -	\$ 1,623	\$ 13,913	\$ 31,252	\$ 170,056
2021 - 2022	-	295	11,433	10,728	185,772
2020 - 2021	347	-	12,017	7,341	184,772

Note 13 - Reserve accounts

A capital reserve account was established by the District 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.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Reserve accounts (continued)

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, 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 NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this State statute, the District deposited \$1,512,935 to their capital reserve account and to their \$65,000 maintenance reserve account by Board Resolution in June 2023 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 1,825,443	\$ 1,512,935	\$ 14,258	\$ 98,044	\$ 850,265	\$ 2,600,415
Emergency	250,000	-	-	-	-	250,000
Maintenance	542,211	65,000	-	-	65,000	542,211
Total	<u>\$ 2,617,654</u>	<u>\$ 1,577,935</u>	<u>\$ 14,258</u>	<u>\$ 98,044</u>	<u>\$ 915,265</u>	<u>\$ 3,392,626</u>

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2023 is as follows:

Restricted

Excess surplus - designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 599,141
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	680,079
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	2,600,415
Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	250,000
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	542,211
Unemployment compensation - represents funds accumulated for future unemployment claims.	170,056

Committed

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	98,528
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Assigned

Designated surplus - designated for subsequent year's expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.	205,106
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 - June 30, 2024	71,563

Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	762,345
Total fund balance - budgetary basis (Exhibit C-1)	5,979,444
Last state aid payments not recognized on GAAP basis	(142,959)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 5,836,485</u>

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$680,079.

Note 16 - Recent accounting pronouncements not yet effective

The following is the accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

Note 17 - Subsequent events

The District has evaluated subsequent events through November 22, 2023, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Revenues					
Local sources					
Local tax levy	\$ 11,108,605	\$ -	\$ 11,108,605	\$ 11,108,605	\$ -
Tuition from individuals	35,987	-	35,987	32,250	(3,737)
Tuition from other LEAs within the state	607,306	-	607,306	571,022	(36,284)
Transportation fees from other LEAs	29,478	-	29,478	46,117	16,639
Rents and royalties	-	-	-	420	420
Unrestricted miscellaneous revenues	20,000	-	20,000	88,465	68,465
Interest earned on capital reserve funds	2,100	-	2,100	14,258	12,158
Other restricted miscellaneous revenues	-	-	-	1,623	1,623
Total	11,803,476	-	11,803,476	11,862,760	59,284
State sources					
School Choice Aid	372,841	-	372,841	372,841	-
Categorical Transportation Aid	320,578	-	320,578	320,578	-
Extraordinary Aid	-	-	-	450,575	450,575
Categorical Special Education Aid	448,913	-	448,913	448,913	-
Equalization Aid	235,248	-	235,248	235,248	-
Categorical Security Aid	54,166	-	54,166	54,166	-
Other State Aid	-	-	-	8,112	8,112
Stabilization Aid	-	-	-	71,563	71,563
TPAF Pension (on-behalf)	-	-	-	2,057,607	2,057,607
TPAF Non-contributory insurance	-	-	-	28,547	28,547
TPAF Social Security (reimbursed)	-	-	-	415,314	415,314
TPAF Postretirement benefits	-	-	-	548,027	548,027
TPAF Long-term disability insurance	-	-	-	925	925
Total	1,431,746	-	1,431,746	5,012,416	3,580,670
Total revenues	\$ 13,235,222	\$ -	\$ 13,235,222	\$ 16,875,176	\$ 3,639,954
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ 67,555	\$ 2,911	\$ 70,466	\$ 70,466	\$ -
Kindergarten	240,164	25,466	265,630	262,931	2,699
Grades 1-5	1,494,413	55,206	1,549,619	1,530,029	19,590
Grades 6-8	1,345,817	50,278	1,396,095	1,376,476	19,619
Home instruction					
Salaries of Teacher	-	3,612	3,612	3,612	-
Purchased professional - educational services	4,000	9,070	13,070	11,311	1,759
Regular programs - undistributed instruction					
Other salaries for instruction	-	42,664	42,664	42,269	395
Purchased professional - educational services	89,850	32,003	121,853	121,032	821
Purchased technical services	47,765	14,379	62,144	62,144	-
Other purchased services	22,000	2,117	24,117	21,765	2,352
General supplies	337,397	(80,785)	256,612	197,087	59,525
Textbooks	56,646	(56,646)	-	-	-
Other objects	350	-	350	125	225
Total	3,705,957	100,275	3,806,232	3,699,247	106,985

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Special education					
Learning and/or language disabilities					
Salaries of Teachers	\$ 129,885	\$ 24,762	\$ 154,647	\$ 149,105	\$ 5,542
Other salaries for instruction	39,936	34,362	74,298	42,909	31,389
General supplies	5,300	(2,289)	3,011	2,581	430
Total	<u>175,121</u>	<u>56,835</u>	<u>231,956</u>	<u>194,595</u>	<u>37,361</u>
Resource room/resource center					
Salaries of Teachers	911,904	11,685	923,589	915,125	8,464
Other salaries for instruction	65,390	71,053	136,443	135,266	1,177
Purchased professional - educational services	473,572	(45,330)	428,242	357,819	70,423
General supplies	12,800	-	12,800	10,893	1,907
Total	<u>1,463,666</u>	<u>37,408</u>	<u>1,501,074</u>	<u>1,419,103</u>	<u>81,971</u>
Autism					
Salaries of teachers	144,313	18,222	162,535	160,748	1,787
Other salaries for instruction	37,754	40,117	77,871	77,266	605
General supplies	7,600	(3,026)	4,574	1,088	3,486
Total	<u>189,667</u>	<u>55,313</u>	<u>244,980</u>	<u>239,102</u>	<u>5,878</u>
Preschool disabilities - part-time					
Salaries of Teachers	67,341	5,854	73,195	71,633	1,562
Other salaries for instruction	32,458	(19,570)	12,888	2,808	10,080
General supplies	600	-	600	-	600
Total	<u>100,399</u>	<u>(13,716)</u>	<u>86,683</u>	<u>74,441</u>	<u>12,242</u>
Total special education	<u>1,928,853</u>	<u>135,840</u>	<u>2,064,693</u>	<u>1,927,241</u>	<u>137,452</u>
Basic skills/remedial					
Salaries of Teachers	154,842	(49,376)	105,466	104,722	744
General supplies	6,100	3,812	9,912	8,954	958
Total	<u>160,942</u>	<u>(45,564)</u>	<u>115,378</u>	<u>113,676</u>	<u>1,702</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	97,145	15,000	112,145	76,277	35,868
Purchased services	6,000	-	6,000	5,069	931
Supplies and materials	3,981	-	3,981	1,423	2,558
Other objects	500	-	500	-	500
Total	<u>107,626</u>	<u>15,000</u>	<u>122,626</u>	<u>82,769</u>	<u>39,857</u>
Total instruction regular	<u>\$ 5,903,378</u>	<u>\$ 205,551</u>	<u>\$ 6,108,929</u>	<u>\$ 5,822,933</u>	<u>\$ 285,996</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - special	\$ 30,000	\$ 8,821	\$ 38,821	\$ 21,595	\$ 17,226
Tuition to private school for the disabled within state	20,344	(2,844)	17,500	17,500	-
Total	<u>50,344</u>	<u>5,977</u>	<u>56,321</u>	<u>39,095</u>	<u>17,226</u>
Undistributed expenditures - attendance and social work					
Salaries	162,535	(19,846)	142,689	110,715	31,974
Purchased professional and technical services	16,000	-	16,000	15,659	341
Total	<u>178,535</u>	<u>(19,846)</u>	<u>158,689</u>	<u>126,374</u>	<u>32,315</u>

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - health services					
Salaries	\$ 154,130	\$ 15,503	\$ 169,633	\$ 164,405	\$ 5,228
Purchased professional and technical services	2,573	(1,711)	862	724	138
Supplies and materials	1,190	12,443	13,633	2,976	10,657
Total	<u>157,893</u>	<u>26,235</u>	<u>184,128</u>	<u>168,105</u>	<u>16,023</u>
Undistributed expenditures - speech/ot/pt and related services					
Salaries	208,519	5,773	214,292	210,772	3,520
Purchased professional - educational services	293,407	(33,469)	259,938	152,050	107,888
Supplies and materials	1,000	5,904	6,904	2,290	4,614
Total	<u>502,926</u>	<u>(21,792)</u>	<u>481,134</u>	<u>365,112</u>	<u>116,022</u>
Undistributed expend - other supp. service stds. - extra service					
Salaries	71,836	(30,233)	41,603	41,545	58
Total	<u>71,836</u>	<u>(30,233)</u>	<u>41,603</u>	<u>41,545</u>	<u>58</u>
Undistributed expenditures - guidance					
Salaries of other Professional Staff	207,570	(23,870)	183,700	177,425	6,275
Supplies and materials	1,600	-	1,600	158	1,442
Total	<u>209,170</u>	<u>(23,870)</u>	<u>185,300</u>	<u>177,583</u>	<u>7,717</u>
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	340,050	23,246	363,296	339,033	24,263
Salaries of Secretarial and Clerical Assistants	53,485	624	54,109	54,109	-
Other purchased professional & technical services	12,000	(1,242)	10,758	5,306	5,452
Other purchased services	13,207	9,865	23,072	7,108	15,964
Supplies and materials	6,100	(667)	5,433	4,052	1,381
Other objects	-	802	802	802	-
Total	<u>424,842</u>	<u>32,628</u>	<u>457,470</u>	<u>410,410</u>	<u>47,060</u>
Undistributed expenditures - improvement of inst. service					
Salaries of other Professional Staff	38,641	12,000	50,641	35,778	14,863
Salaries of Secretarial and Clerical Assist	54,382	-	54,382	45,167	9,215
Total	<u>93,023</u>	<u>12,000</u>	<u>105,023</u>	<u>80,945</u>	<u>24,078</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries	163,658	(1,000)	162,658	136,784	25,874
Salaries of technology coordinators	-	1,000	1,000	664	336
Purchased professional and technical services	105,000	30,000	135,000	119,843	15,157
Supplies and materials	12,150	-	12,150	8,859	3,291
Other objects	200	-	200	-	200
Total	<u>281,008</u>	<u>30,000</u>	<u>311,008</u>	<u>266,150</u>	<u>44,858</u>
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	600	(534)	66	-	66
Other purchased services	-	534	534	534	-
Total	<u>600</u>	<u>-</u>	<u>600</u>	<u>534</u>	<u>66</u>

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - support service - general admin.					
Salaries	\$ 142,364	\$ (45,263)	\$ 97,101	\$ 97,101	\$ -
Legal services	35,771	35,307	71,078	54,377	16,701
Audit fees	20,000	(2,500)	17,500	17,500	-
Purchased technical services	-	1,150	1,150	1,150	-
Communications/telephone	26,000	642	26,642	24,797	1,845
BOE other purchased services	1,000	(731)	269	-	269
Miscellaneous purchased services	26,100	(4,415)	21,685	21,196	489
General supplies	1,000	(975)	25	25	-
BOE in-house training/meeting supplies	3,300	(2,875)	425	425	-
Judgments against the school district	57,200	131,880	189,080	128,336	60,744
Miscellaneous expenditures	2,525	(2,000)	525	300	225
BOE membership dues and fees	7,000	-	7,000	6,787	213
Total	322,260	110,220	432,480	351,994	80,486
Undistributed expenditures - support service - school admin.					
Salaries of Principals/Assistant Principals	223,289	2,631	225,920	221,972	3,948
Salaries of Secretarial and Clerical Assistants	71,191	(702)	70,489	62,053	8,436
Other purchased services	500	-	500	324	176
Supplies and materials	11,500	(2,375)	9,125	4,509	4,616
Other objects	900	445	1,345	1,345	-
Total	307,380	(1)	307,379	290,203	17,176
Undistributed expenditures - central services					
Salaries	269,435	(12,740)	256,695	256,695	-
Purchased technical services	42,000	1,939	43,939	43,218	721
Miscellaneous purchased services	2,700	(740)	1,960	1,471	489
Supplies and materials	7,000	(2,814)	4,186	1,568	2,618
Other objects	1,350	355	1,705	1,705	-
Total	322,485	(14,000)	308,485	304,657	3,828
Undistributed expenditures - req. maint. for school facilities					
Salaries	90,000	74,740	164,740	132,222	32,518
Cleaning, repair, and maintenance services	114,858	92,666	207,524	188,379	19,145
General supplies	3,550	24,804	28,354	28,244	110
Other objects	2,300	(1,500)	800	-	800
Total	210,708	190,710	401,418	348,845	52,573
Undistributed expenditures - custodial services					
Salaries	270,503	65,063	335,566	332,579	2,987
Purchased professional and technical services	104,700	(40,084)	64,616	19,569	45,047
Cleaning, repair, and maintenance service	17,910	8,552	26,462	19,997	6,465
Insurance	48,000	3,694	51,694	49,212	2,482
Miscellaneous purchased services	600	-	600	600	-
General supplies	83,805	(11,221)	72,584	54,208	18,376
Energy (natural gas)	96,962	12,127	109,089	89,897	19,192
Energy (electricity)	110,000	(28,688)	81,312	79,122	2,190
Energy (oil)	120,000	(11,264)	108,736	107,548	1,188
Energy (gasoline)	2,000	(2,000)	-	-	-
Other objects	480	245	725	725	-
Total	854,960	(3,576)	851,384	753,457	97,927

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	\$ 32,000	\$ (959)	\$ 31,041	\$ 29,110	\$ 1,931
General supplies	4,300	4,128	8,428	4,589	3,839
Total	<u>36,300</u>	<u>3,169</u>	<u>39,469</u>	<u>33,699</u>	<u>5,770</u>
Undistributed expenditures - security					
Purchased professional and technical services	166,853	3,204	170,057	161,557	8,500
General supplies	1,000	(1,000)	-	-	-
Total	<u>167,853</u>	<u>2,204</u>	<u>170,057</u>	<u>161,557</u>	<u>8,500</u>
Undistributed expenditures - student transportation service					
Salaries for pupil trans. (between home & school) - reg.	-	9,000	9,000	7,670	1,330
Management fee - ESC and CTSA trans. program	4,000	(4,000)	-	-	-
Other purchased professional and technical service	15,000	-	15,000	14,759	241
Contract service-aid in lieu pymts. - non-public schools	20,000	9,638	29,638	21,462	8,176
Contract serv-aid in lieu pymts-charter school students	2,000	(2,000)	-	-	-
Contract serv-aid in lieu pymts-choice school students	5,000	-	5,000	4,088	912
Contr service (oth. than between home & school) - vend	17,000	2,086	19,086	12,407	6,679
Contr service (between home & school) - joint agreements	480,000	(52,264)	427,736	425,051	2,685
Contract service (sp. ed. stds) - vendors	10,000	-	10,000	9,050	950
Contract service (sp. ed. stds) - joint agreements	54,000	(6,462)	47,538	43,603	3,935
Contract service (spl. ed. students) - ESCs and CTSA	30,000	29,018	59,018	59,018	-
Total	<u>637,000</u>	<u>(14,984)</u>	<u>622,016</u>	<u>597,108</u>	<u>24,908</u>
Unallocated benefits - employee benefits					
Social Security contributions	200,000	(20,000)	180,000	150,476	29,524
Other retirement contributions - PERS	250,000	(1,000)	249,000	190,332	58,668
Other retirement contributions - regular	1,200	1,106	2,306	2,306	-
Unemployment compensation	-	(11,611)	11,611	11,611	-
Workmen's compensation	70,000	13,925	83,925	79,120	4,805
Health benefits	2,348,676	130,989	2,479,665	2,289,265	190,400
Tuition reimbursement	54,810	(12,500)	42,310	5,620	36,690
Other employee benefits	53,989	-	53,989	19,912	34,077
Unused sick payment to terminated/retired staff	24,680	-	24,680	23,998	682
Total	<u>3,003,355</u>	<u>100,909</u>	<u>3,127,486</u>	<u>2,772,640</u>	<u>354,846</u>
On-behalf TPAF Pension contribution	-	-	-	2,057,607	(2,057,607)
On-behalf TPAF Non-contributory insurance	-	-	-	28,547	(28,547)
On-behalf TPAF Postretirement medical benefits	-	-	-	548,027	(548,027)
On-behalf TPAF Long-term disability insurance	-	-	-	925	(925)
Reimbursed TPAF Social Security contribution	-	-	-	415,314	(415,314)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,050,420</u>	<u>(3,050,420)</u>
Total undistributed expenditures	<u>\$ 7,832,478</u>	<u>\$ 385,750</u>	<u>\$ 8,241,450</u>	<u>\$ 10,340,433</u>	<u>\$ (2,098,983)</u>
Total current	<u>\$ 13,735,856</u>	<u>\$ 591,301</u>	<u>\$ 14,350,379</u>	<u>\$ 16,163,366</u>	<u>\$ (1,812,987)</u>

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Capital outlay					
Equipment					
Grades 1-5	\$ -	\$ 12,371	\$ 12,371	\$ 12,371	\$ -
Grades 6-8	-	2,064	2,064	2,064	-
Undistributed					
Undistributed expenditures - req. maint. for school facilities	-	50,331	50,331	13,846	36,485
Total equipment	<u>-</u>	<u>64,766</u>	<u>64,766</u>	<u>28,281</u>	<u>36,485</u>
Facilities acquisition and construction service					
Architectural/engineering services	31,926	10,300	42,226	29,226	13,000
Other purchased professional and technology services	246,000	(211,289)	34,711	34,711	-
Construction services	1,779,320	238,365	2,017,685	1,987,173	30,512
Infrastructure	600,000	(122,510)	477,490	-	477,490
Other objects	2,100	-	2,100	-	2,100
Assessment for debt service on SDA funding	2,165	-	2,165	2,165	-
Total facilities acquisition and construction service	<u>2,661,511</u>	<u>(85,134)</u>	<u>2,576,377</u>	<u>2,053,275</u>	<u>523,102</u>
Total capital outlay	<u>\$ 2,661,511</u>	<u>\$ (20,368)</u>	<u>\$ 2,641,143</u>	<u>\$ 2,081,556</u>	<u>\$ 559,587</u>
Transfer of funds to charter schools	<u>\$ 34,021</u>	<u>\$ (34,021)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total expenditures	<u>\$ 16,431,388</u>	<u>\$ 536,912</u>	<u>\$ 16,991,522</u>	<u>\$ 18,244,922</u>	<u>\$ (1,253,400)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (3,196,166)	\$ (536,912)	\$ (3,756,300)	\$ (1,369,746)	\$ 2,386,554
Other financing sources (uses)					
Operating transfer in					
Transfers from capital projects fund	-	-	-	98,044	98,044
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,044</u>	<u>98,044</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,196,166)	(536,912)	(3,756,300)	(1,271,702)	2,484,598
Fund balances, July 1	7,251,146	-	7,251,146	7,251,146	-
Fund balances, June 30	<u>\$ 4,054,980</u>	<u>\$ (536,912)</u>	<u>\$ 3,494,846</u>	<u>\$ 5,979,444</u>	<u>\$ 2,484,598</u>

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (1,956,003)	\$ -	\$ (1,956,003)	\$ (1,956,003)	\$ -
Increase in capital reserve	512,935	1,098,044	1,610,979	1,610,979	-
Interest deposit to capital reserve	2,100	-	2,100	14,258	12,158
Withdrawal from capital reserve	(850,265)	-	(850,265)	(850,265)	-
Increase in maintenance reserve	-	65,000	65,000	65,000	-
Withdrawal from maintenance reserve	(65,000)	-	(65,000)	(65,000)	-
Interest earned on unemployment compensation	-	-	-	1,623	1,623
Withdrawal from unemployment compensation	-	(11,611)	(11,611)	(11,611)	-
Budgeted fund balance	(839,933)	(1,688,345)	(2,551,500)	(80,683)	2,470,817
Total	<u>\$ (3,196,166)</u>	<u>\$ (536,912)</u>	<u>\$ (3,756,300)</u>	<u>\$ (1,271,702)</u>	<u>\$ 2,484,598</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 599,141	
Excess surplus - current year				680,079	
Capital reserve				2,600,415	
Emergency reserve				250,000	
Maintenance reserve				542,211	
Unemployment compensation				170,056	
Committed fund balance					
Year-end encumbrances				98,528	
Assigned fund balance					
Designated for subsequent year's expenditures				205,106	
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 - June 30, 2024				71,563	
Unassigned fund balance				<u>762,345</u>	
Fund balance per budgetary basis				5,979,444	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(142,959)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 5,836,485</u>	

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
State sources	\$ -	\$ 13,226	\$ 13,226	\$ 13,226	\$ -
Federal sources	717,180	(86,974)	630,206	425,161	(205,045)
Local sources	-	55,145	55,145	55,145	-
Total revenues	<u>\$ 717,180</u>	<u>\$ (18,603)</u>	<u>\$ 698,577</u>	<u>\$ 493,532</u>	<u>\$ (205,045)</u>
Expenditures					
Instruction					
Salary	\$ 262,555	\$ 42,949	\$ 305,504	\$ 168,763	\$ 136,741
General supplies	156,644	(51,880)	104,764	73,786	30,978
Other objects	100	-	100	-	100
Totals	<u>419,299</u>	<u>(8,931)</u>	<u>410,368</u>	<u>242,549</u>	<u>167,819</u>
Support services					
Tuition	151,975	-	151,975	151,975	-
Salaries	600	-	600	600	-
Purchased professional & technical services	107,416	(50,500)	56,916	29,386	27,530
Other purchased services	10,664	-	10,664	9,904	760
Travel	4,000	-	4,000	-	4,000
Supplies	10,000	-	10,000	-	10,000
Other objects	13,226	-	13,226	13,226	-
Student activities	-	40,828	40,828	40,828	-
Total	<u>297,881</u>	<u>(9,672)</u>	<u>288,209</u>	<u>245,919</u>	<u>42,290</u>
Total expenditures	<u>\$ 717,180</u>	<u>\$ (18,603)</u>	<u>\$ 698,577</u>	<u>\$ 488,468</u>	<u>\$ 210,109</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ 5,064	\$ 5,064
Fund balances, July 1	<u>32,064</u>	<u>-</u>	<u>32,064</u>	<u>32,064</u>	<u>-</u>
Fund balances, June 30	<u>\$ 32,064</u>	<u>\$ -</u>	<u>\$ 32,064</u>	<u>\$ 37,128</u>	<u>\$ 5,064</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 37,128	
Fund balance per budgetary basis				<u>\$ 37,128</u>	

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2023

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 16,875,176	\$ 493,532
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:		
Outstanding encumbrances - prior year	-	2,218
Outstanding encumbrances - prior year cancelled	-	(293)
Outstanding encumbrances - current year	-	(19,847)
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 expenses (GASB 33):		
State aid receivable prior year	166,805	-
State aid receivable current year	(142,959)	-
Total revenues (GAAP basis)	<u>\$ 16,899,022</u>	<u>\$ 475,610</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 18,244,922	\$ 488,468
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:		
Outstanding encumbrances prior year	-	2,218
Outstanding encumbrances - prior year cancelled	-	(293)
Outstanding encumbrances current year	-	(19,847)
Total expenditures (GAAP basis)	<u>\$ 18,244,922</u>	<u>\$ 470,546</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2014	0.018299932%	\$ 3,426,248	\$ 1,256,197	272.75%	52.08%
2015	0.018268023%	4,100,805	1,220,679	335.94%	47.93%
2016	0.017988470%	5,327,669	1,283,165	415.20%	40.14%
2017	0.018448214%	4,294,449	1,164,431	368.80%	48.10%
2018	0.016432770%	3,235,531	1,091,178	296.52%	53.60%
2019	0.015494825%	2,791,932	1,136,165	245.73%	56.27%
2020	0.015937572%	2,599,001	1,194,998	217.49%	58.32%
2021	0.016800809%	1,990,308	1,175,159	169.36%	70.33%
2022	0.015066912%	2,273,804	1,155,579	196.77%	62.91%
2023	N/A	N/A	1,045,748	N/A	N/A

N/A = Information not available

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	\$ 142,960	\$ (142,960)	\$ -	\$ 1,256,197	11.38%
2015	134,041	(134,041)	-	1,220,679	10.98%
2016	150,862	(150,862)	-	1,283,165	11.76%
2017	157,056	(157,056)	-	1,164,431	13.49%
2018	160,430	(160,430)	-	1,091,178	14.70%
2019	164,218	(164,218)	-	1,136,165	14.45%
2020	151,136	(151,136)	-	1,194,998	12.65%
2021	175,741	(175,741)	-	1,175,159	14.95%
2022	196,757	(196,757)	-	1,155,579	17.03%
2023	190,001	(190,001)	-	1,045,748	18.17%

N/A = Information not available

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)			Total	District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	District's proportion		State's				
	Percentage	Value	proportion				
2014	0.00%	\$ -	\$ 28,627,267	\$ 28,627,267	\$ 5,362,213	0.00%	33.64%
2015	0.00%	-	29,777,099	29,777,099	5,349,284	0.00%	28.71%
2016	0.00%	-	33,834,792	33,834,792	5,454,550	0.00%	22.33%
2017	0.00%	-	42,482,641	42,482,641	5,292,535	0.00%	25.41%
2018	0.00%	-	36,500,875	36,500,875	5,394,928	0.00%	26.49%
2019	0.00%	-	31,518,525	31,518,525	5,489,765	0.00%	26.95%
2020	0.00%	-	31,363,517	31,363,517	5,801,613	0.00%	24.60%
2021	0.00%	-	33,827,611	33,827,611	5,696,729	0.00%	35.52%
2022	0.00%	-	26,739,943	26,739,943	5,357,588	0.00%	32.29%
2023	N/A	N/A	N/A	N/A	5,777,572	N/A	N/A

N/A = Information not available

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	\$ 235,691	\$ (235,691)	\$ -	\$ 5,349,284	4.41%
2015	289,416	(289,416)	-	5,454,550	5.31%
2016	432,373	(432,373)	-	5,091,375	8.49%
2017	609,917	(609,917)	-	5,292,535	11.52%
2018	748,420	(748,420)	-	5,394,928	13.87%
2019	1,027,437	(1,027,437)	-	5,489,765	18.72%
2020	1,148,244	(1,148,244)	-	5,801,613	19.79%
2021	1,494,239	(1,494,239)	-	5,696,729	26.23%
2022	1,477,095	(1,477,095)	-	5,357,588	27.57%
2023	2,169,099	(2,169,099)	-	5,777,572	37.54%

N/A = Information not available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75)
(UNAUDITED)**

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)				District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 32,425,640	\$ 32,425,640	\$ 6,546,966	0.00%	0.00%
2018	0.00%	-	27,497,436	27,497,436	6,486,106	0.00%	0.00%
2019	0.00%	-	24,812,268	24,812,268	6,625,930	0.00%	0.00%
2020	0.00%	-	39,809,685	39,809,685	6,996,611	0.00%	0.00%
2021	0.00%	-	35,907,292	35,907,292	6,871,888	0.00%	0.00%
2022	0.00%	-	30,636,427	30,636,427	6,513,167	0.00%	0.00%
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2023

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% in State fiscal year 2021 and 2.75% in State fiscal year 2022.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% for State fiscal year 2021 and 2.75% for State fiscal year 2022.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 2.16% in State fiscal year 2020 to 3.54% in State fiscal year 2022. The inflation rate was 2.50% for State fiscal year 2021 and 2022.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
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 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%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There was a decrease in liability from June 30, 2022 to June 30, 2023 due to employers adopting Chapter 44 provisions.

SPECIAL REVENUE FUND

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title IIA	ESSA Title IVA	Total
Revenues							
State sources	\$ 13,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,226
Federal sources	232,393	151,975	8,922	8,829	11,054	11,988	425,161
Local sources	55,145	-	-	-	-	-	55,145
Total revenues	<u>\$ 300,764</u>	<u>\$ 151,975</u>	<u>\$ 8,922</u>	<u>\$ 8,829</u>	<u>\$ 11,054</u>	<u>\$ 11,988</u>	<u>\$ 493,532</u>
Expenditures							
Instruction							
Salaries	\$ 160,934	\$ -	\$ -	\$ 7,829	\$ -	\$ -	\$ 168,763
General supplies	58,969	-	1,829	1,000	-	11,988	73,786
Total	<u>219,903</u>	<u>-</u>	<u>1,829</u>	<u>8,829</u>	<u>-</u>	<u>11,988</u>	<u>242,549</u>
Support services							
Tuition	-	151,975	-	-	-	-	151,975
Salaries	600	-	-	-	-	-	600
Purchased professional and technical services	21,143	-	7,093	-	1,150	-	29,386
Other purchased services	-	-	-	-	9,904	-	9,904
Supplies	13,226	-	-	-	-	-	13,226
Student activities	40,828	-	-	-	-	-	40,828
Total	<u>75,797</u>	<u>151,975</u>	<u>7,093</u>	<u>-</u>	<u>11,054</u>	<u>-</u>	<u>245,919</u>
Total expenditures	<u>\$ 295,700</u>	<u>\$ 151,975</u>	<u>\$ 8,922</u>	<u>\$ 8,829</u>	<u>\$ 11,054</u>	<u>\$ 11,988</u>	<u>\$ 488,468</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 5,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,064
Fund balances, July 1	32,064	-	-	-	-	-	32,064
Fund balances, June 30	<u>\$ 37,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,128</u>

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	ARP IDEA Preschool	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSER	Total Carried Forward
Revenues							
State sources	\$ 13,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,226
Federal sources	129,631	383	11,175	5,569	42,008	43,627	232,393
Local sources	55,145	-	-	-	-	-	55,145
Total revenues	\$ 198,002	\$ 383	\$ 11,175	\$ 5,569	\$ 42,008	\$ 43,627	\$ 300,764
Expenditures							
Instruction							
Salaries	\$ 69,358	\$ -	\$ 11,175	\$ 5,274	\$ 31,500	\$ 43,627	\$ 160,934
General supplies	52,283	383	-	295	6,008	-	58,969
Total	121,641	383	11,175	5,569	37,508	43,627	219,903
Support services							
Tuition	-	-	-	-	-	-	-
Salaries	600	-	-	-	-	-	600
Purchased professional and technical services	16,643	-	-	-	4,500	-	21,143
Other purchased services	-	-	-	-	-	-	-
Supplies	13,226	-	-	-	-	-	13,226
Student activities	40,828	-	-	-	-	-	40,828
Total	71,297	-	-	-	4,500	-	75,797
Total expenditures	\$ 192,938	\$ 383	\$ 11,175	\$ 5,569	\$ 42,008	\$ 43,627	\$ 295,700
Excess (deficiency) of revenues over (under) expenditures	\$ 5,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,064
Fund balances, July 1	32,064	-	-	-	-	-	32,064
Fund balances, June 30	\$ 37,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,128

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	ARP Accelerated Learning	ARP Summer Learning	ARP Beyond the School Day	ARP NJTSS Mental Health	Total Carried Forward
Revenues						
State sources	\$ 13,226	\$ -	\$ -	\$ -	\$ -	\$ 13,226
Federal sources	49,595	5,000	40,000	17,358	17,678	129,631
Local sources	55,145	-	-	-	-	55,145
Total revenues	<u>\$ 117,966</u>	<u>\$ 5,000</u>	<u>\$ 40,000</u>	<u>\$ 17,358</u>	<u>\$ 17,678</u>	<u>\$ 198,002</u>
Expenditures						
Instruction						
Salaries	\$ -	\$ 5,000	\$ 40,000	\$ 17,358	\$ 7,000	\$ 69,358
General supplies	52,283	-	-	-	-	52,283
Total	<u>52,283</u>	<u>5,000</u>	<u>40,000</u>	<u>17,358</u>	<u>7,000</u>	<u>121,641</u>
Support services						
Tuition	-	-	-	-	-	-
Salaries	600	-	-	-	-	600
Purchased professional and technical services	5,965	-	-	-	10,678	16,643
Other purchased services	-	-	-	-	-	-
Supplies	13,226	-	-	-	-	13,226
Student activities	40,828	-	-	-	-	40,828
Total	<u>60,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,678</u>	<u>71,297</u>
Total expenditures	<u>\$ 112,902</u>	<u>\$ 5,000</u>	<u>\$ 40,000</u>	<u>\$ 17,358</u>	<u>\$ 17,678</u>	<u>\$ 192,938</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 5,064	\$ -	\$ -	\$ -	\$ -	\$ 5,064
Fund balances, July 1	32,064	-	-	-	-	32,064
Fund balances, June 30	<u>\$ 37,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,128</u>

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	REAP	SDA Emergent and Capital Maintenance Needs	Local	Student Activities	Total Carried Forward
Revenues					
State sources	\$ -	\$ 13,226	\$ -	\$ -	\$ 13,226
Federal sources	49,595	-	-	-	49,595
Local sources	-	-	9,253	45,892	55,145
Total revenues	<u>\$ 49,595</u>	<u>\$ 13,226</u>	<u>\$ 9,253</u>	<u>\$ 45,892</u>	<u>\$ 117,966</u>
Expenditures					
Instruction					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
General supplies	49,595	-	2,688	-	52,283
Total	<u>49,595</u>	<u>-</u>	<u>2,688</u>	<u>-</u>	<u>52,283</u>
Support services					
Tuition	-	-	-	-	-
Salaries	-	-	600	-	600
Purchased professional and technical services	-	-	5,965	-	5,965
Other purchased services	-	-	-	-	-
Supplies	-	13,226	-	-	13,226
Student activities	-	-	-	40,828	40,828
Total	<u>-</u>	<u>13,226</u>	<u>6,565</u>	<u>40,828</u>	<u>60,619</u>
Total expenditures	<u>\$ 49,595</u>	<u>\$ 13,226</u>	<u>\$ 9,253</u>	<u>\$ 40,828</u>	<u>\$ 112,902</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ 5,064	\$ 5,064
Fund balances, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,064</u>	<u>32,064</u>
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,128</u>	<u>\$ 37,128</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

LEBANON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2023

Description	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations 06/30/23
			Prior Years	Current Year	
Security project	N/A	\$ 637,056	\$637,056	\$ -	\$ -
		<u>\$ 637,056</u>	<u>\$ 637,056</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

Other financing sources (uses)	
Transfer out	<u>\$ (98,044)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(98,044)
Fund balance - beginning of year	<u>98,044</u>
Fund balance - ending of year	<u><u>\$ -</u></u>

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Security Project
For the Fiscal Year Ended June 30, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - transfer from capital reserve	\$ 735,100	\$ (98,044)	\$ 637,056	\$ 637,056
Total revenues	<u>735,100</u>	<u>(98,044)</u>	<u>637,056</u>	<u>637,056</u>
Expenditures and other financing uses				
Purchased professional services	57,499	-	57,499	57,499
Construction services	579,557	-	579,557	579,557
Total expenditures	<u>637,056</u>	<u>-</u>	<u>637,056</u>	<u>637,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 98,044</u>	<u>\$ (98,044)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project number	2600-060-18-1000
Grant date	N/A
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 586,780
Additional authorized cost	\$ 50,276
Revised authorized cost	\$ 637,056
Percentage completion	100%

See independent auditors' report.

STATISTICAL SECTION

LEBANON TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

LEBANON TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government activities										
Net investment in capital assets	\$ 4,940,663	\$ 4,930,901	\$ 4,906,266	\$ 4,676,844	\$ 4,861,051	\$ 4,629,560	\$ 4,401,432	\$ 4,733,813	\$ 4,434,622	\$ 6,185,397
Restricted	1,762,133	1,701,163	1,884,059	3,616,418	4,194,911	4,387,301	5,094,136	5,377,742	2,927,806	3,599,810
Unrestricted	(1,514,378)	(1,682,319)	(1,599,598)	(3,115,678)	(3,569,171)	(3,325,021)	(2,765,855)	(2,941,642)	1,012,348	(481,802)
Total governmental activities	<u>\$ 5,188,418</u>	<u>\$ 4,949,745</u>	<u>\$ 5,190,727</u>	<u>\$ 5,177,584</u>	<u>\$ 5,486,791</u>	<u>\$ 5,691,840</u>	<u>\$ 6,729,713</u>	<u>\$ 7,169,913</u>	<u>\$ 8,374,776</u>	<u>\$ 9,303,405</u>
Business-type activities										
Net investment in capital assets	\$ 55,869	\$ 50,185	\$ 44,502	\$ 38,818	\$ 33,135	\$ 27,452	\$ 21,768	\$ 16,085	\$ 39,284	\$ 57,703
Unrestricted	18,605	11,145	13,271	12,581	8,577	7,750	12,070	43,849	126,220	97,311
Total business-type activities	<u>\$ 74,474</u>	<u>\$ 61,330</u>	<u>\$ 57,773</u>	<u>\$ 51,399</u>	<u>\$ 41,712</u>	<u>\$ 35,202</u>	<u>\$ 33,838</u>	<u>\$ 59,934</u>	<u>\$ 165,504</u>	<u>\$ 155,014</u>
District-wide										
Net investment in capital assets	\$ 4,996,532	\$ 4,981,086	\$ 4,950,768	\$ 4,715,662	\$ 4,894,186	\$ 4,657,012	\$ 4,423,200	\$ 4,749,898	\$ 4,473,906	\$ 6,243,100
Restricted	1,762,133	1,701,163	1,884,059	3,616,418	4,194,911	4,387,301	5,094,136	5,377,742	2,927,806	3,599,810
Unrestricted	(1,495,773)	(1,671,174)	(1,586,327)	(3,103,097)	(3,560,594)	(3,317,271)	(2,753,785)	(2,897,793)	1,138,568	(384,491)
Total district-wide	<u>\$ 5,262,892</u>	<u>\$ 5,011,075</u>	<u>\$ 5,248,500</u>	<u>\$ 5,228,983</u>	<u>\$ 5,528,503</u>	<u>\$ 5,727,042</u>	<u>\$ 6,763,551</u>	<u>\$ 7,229,847</u>	<u>\$ 8,540,280</u>	<u>\$ 9,458,419</u>

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,885,932	\$ 6,533,194	\$ 6,526,788	\$ 6,578,228	\$ 6,683,269	\$ 6,256,202	\$ 5,750,794	\$ 6,029,312	\$ 7,469,212	\$ 7,518,992
Special education	2,273,426	2,490,425	2,795,503	2,992,046	3,142,568	3,001,326	2,766,922	2,759,409	3,496,600	3,407,848
Other special education	124,697	89,518	138,946	229,805	221,962	227,443	235,087	194,701	310,517	269,965
Other instruction	126,630	120,121	143,696	177,040	170,689	161,274	107,354	82,824	116,624	85,732
Support services										
Tuition	288,322	376,397	379,272	149,320	99,596	40,675	57,062	103,135	154,661	191,070
Student & instruction related services	2,029,359	2,648,636	2,755,646	2,490,155	2,919,336	2,811,162	2,523,481	2,772,065	3,285,097	2,957,176
General & business administrative services	1,469,616	1,556,391	1,658,512	1,700,110	1,797,097	1,556,174	1,357,842	1,555,933	1,370,720	1,410,270
Plant operations & maintenance	1,101,846	1,009,734	1,008,798	1,660,550	1,537,887	1,665,023	1,738,448	2,102,547	1,149,442	1,467,532
Pupil transportation	518,280	595,215	566,871	551,316	545,247	545,197	492,206	544,909	557,204	597,108
Transfer to Charter schools	-	-	-	-	-	-	-	-	15,022	-
Interest on long-term debt	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165
Unallocated depreciation	-	-	-	263,163	267,284	253,312	235,292	247,759	-	-
Total governmental activities expenses	<u>13,820,273</u>	<u>15,421,796</u>	<u>15,976,197</u>	<u>16,793,898</u>	<u>17,387,100</u>	<u>16,519,953</u>	<u>15,266,653</u>	<u>16,394,759</u>	<u>17,927,264</u>	<u>17,907,858</u>
Business-type activities										
Food services	194,925	186,003	191,856	198,178	184,470	173,955	128,042	131,476	251,835	240,134
Total business-type activities	<u>194,925</u>	<u>186,003</u>	<u>191,856</u>	<u>198,178</u>	<u>184,470</u>	<u>173,955</u>	<u>128,042</u>	<u>131,476</u>	<u>251,835</u>	<u>240,134</u>
Total district expenses	<u>\$ 14,015,198</u>	<u>\$ 15,607,799</u>	<u>\$ 16,168,053</u>	<u>\$ 16,992,076</u>	<u>\$ 17,571,570</u>	<u>\$ 16,693,908</u>	<u>\$ 15,394,695</u>	<u>\$ 16,526,235</u>	<u>\$ 18,179,099</u>	<u>\$ 18,147,992</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Governmental activities										
Charges for services	\$ 226,335	\$ 252,878	\$ 358,428	\$ 242,462	\$ 255,547	\$ 535,977	\$ 592,911	\$ 573,438	\$ 540,543	\$ 695,281
Operating grants & contributions	3,725,649	5,513,787	6,152,112	6,691,052	7,278,457	5,851,605	5,025,299	5,637,111	295,048	429,718
Total governmental activities	<u>\$ 3,951,984</u>	<u>\$ 5,766,665</u>	<u>\$ 6,510,540</u>	<u>\$ 6,933,514</u>	<u>\$ 7,534,004</u>	<u>\$ 6,387,582</u>	<u>\$ 5,618,210</u>	<u>\$ 6,210,549</u>	<u>\$ 835,591</u>	<u>\$ 1,124,999</u>
Business-type activities										
Charges for services										
Food service	\$ 144,884	\$ 135,070	\$ 142,698	\$ 136,950	\$ 125,338	\$ 125,510	\$ 92,691	\$ 32,210	\$ -	\$ 149,046
Operating grants & contributions	38,350	37,789	45,601	51,943	42,627	41,935	33,987	120,362	340,264	80,348
Total business-type activities	<u>183,234</u>	<u>172,859</u>	<u>188,299</u>	<u>188,893</u>	<u>167,965</u>	<u>167,445</u>	<u>126,678</u>	<u>152,572</u>	<u>340,264</u>	<u>229,394</u>
Total district-wide program revenues	<u>\$ 4,135,218</u>	<u>\$ 5,939,524</u>	<u>\$ 6,698,839</u>	<u>\$ 7,122,407</u>	<u>\$ 7,701,969</u>	<u>\$ 6,555,027</u>	<u>\$ 5,744,888</u>	<u>\$ 6,363,121</u>	<u>\$ 1,175,855</u>	<u>\$ 1,354,393</u>
Net (expense) revenues										
Governmental activities	\$ (9,868,289)	\$ (9,655,131)	\$ (9,465,657)	\$ (9,860,384)	\$ (9,853,096)	\$ (10,132,371)	\$ (9,648,443)	\$ (10,184,210)	\$ (17,091,673)	\$ (16,782,859)
Business-type activities	(11,691)	(13,144)	(3,557)	(9,285)	(16,505)	(6,510)	(1,364)	21,096	88,429	(10,740)
Total district-wide net expenses	<u>\$ (9,879,980)</u>	<u>\$ (9,668,275)</u>	<u>\$ (9,469,214)</u>	<u>\$ (9,869,669)</u>	<u>\$ (9,869,601)</u>	<u>\$ (10,138,881)</u>	<u>\$ (9,649,807)</u>	<u>\$ (10,163,114)</u>	<u>\$ (17,003,244)</u>	<u>\$ (16,793,599)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 9,284,388	\$ 9,400,000	\$ 9,541,000	\$ 9,731,820	\$ 9,926,000	\$ 10,124,520	\$ 10,327,000	\$ 10,533,540	\$ 10,744,210	\$ 11,108,605
Unrestricted grants & contributions	-	-	-	-	-	-	-	-	7,703,009	6,498,117
Investment earnings	16,521	15,209	14,833	24,367	64,277	82,721	60,734	14,059	11,915	66,133
Miscellaneous income	2,642	1,249	150,806	91,054	172,026	130,179	93,187	81,811	19,525	38,633
Transfers	-	-	-	-	-	-	-	(5,000)	(720)	-
Total governmental activities	<u>9,303,551</u>	<u>9,416,458</u>	<u>9,706,639</u>	<u>9,847,241</u>	<u>10,162,303</u>	<u>10,337,420</u>	<u>10,480,921</u>	<u>10,624,410</u>	<u>18,477,939</u>	<u>17,711,488</u>
Business-type activities										
Miscellaneous income	-	-	-	2,911	6,818	-	-	-	3,239	250
Transfers	-	-	-	-	-	-	-	5,000	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,911</u>	<u>6,818</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>3,239</u>	<u>250</u>
Total district-wide	<u>\$ 9,303,551</u>	<u>\$ 9,416,458</u>	<u>\$ 9,706,639</u>	<u>\$ 9,850,152</u>	<u>\$ 10,169,121</u>	<u>\$ 10,337,420</u>	<u>\$ 10,480,921</u>	<u>\$ 10,629,410</u>	<u>\$ 18,481,178</u>	<u>\$ 17,711,738</u>
Change in net position										
Governmental activities	\$ (564,738)	\$ (238,673)	\$ 240,982	\$ (13,143)	\$ 309,207	\$ 205,049	\$ 832,478	\$ 440,200	\$ 1,386,266	\$ 928,629
Business-type activities	(11,691)	(13,144)	(3,557)	(6,374)	(9,687)	(6,510)	(1,364)	26,096	91,668	(10,490)
Total district	<u>\$ (576,429)</u>	<u>\$ (251,817)</u>	<u>\$ 237,425</u>	<u>\$ (19,517)</u>	<u>\$ 299,520</u>	<u>\$ 198,539</u>	<u>\$ 831,114</u>	<u>\$ 466,296</u>	<u>\$ 1,477,934</u>	<u>\$ 918,139</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 3,531,762	\$ 3,032,542	\$ 3,591,930	\$ 3,616,418	\$ 4,194,911	\$ 4,387,301	\$ 4,888,741	\$ 5,347,374	\$ 4,222,017	\$ 4,841,902
Committed	15,153	265,576	53,067	722,391	465,047	254,673	353,616	290,481	1,956,003	98,528
Assigned	-	-	-	-	-	-	-	-	14,754	276,669
Unassigned	249,267	261,089	245,624	103,046	73,949	95,428	106,243	428,186	891,567	619,386
Total general fund	<u>\$ 3,796,182</u>	<u>\$ 3,559,207</u>	<u>\$ 3,890,621</u>	<u>\$ 4,441,855</u>	<u>\$ 4,733,907</u>	<u>\$ 4,737,402</u>	<u>\$ 5,348,600</u>	<u>\$ 6,066,041</u>	<u>\$ 7,084,341</u>	<u>\$ 5,836,485</u>
							*			
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,368	\$ 32,064	\$ 37,128
Capital projects fund	-	-	-	-	-	540,780	689,100	70,473	98,044	-
Committed, reported in										
Capital projects fund	-	-	-	-	-	-	-	62,536	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540,780</u>	<u>\$ 689,100</u>	<u>\$ 163,377</u>	<u>\$ 130,108</u>	<u>\$ 37,128</u>
							*			

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 9,284,388	\$ 9,400,000	\$ 9,541,000	\$ 9,731,820	\$ 9,926,000	\$ 10,124,520	\$ 10,327,000	\$ 10,533,540	\$ 10,744,210	\$ 11,108,605
Transportation	-	-	-	-	-	-	-	-	9,515	46,117
Tuition charges	111,100	131,710	297,748	242,462	255,547	512,220	570,926	566,389	493,635	603,272
Interest earnings	-	-	-	-	-	-	-	-	11,915	66,133
Miscellaneous	100,899	86,450	176,140	115,421	236,303	236,657	175,906	102,919	56,918	93,778
State sources	3,534,880	3,722,394	3,888,967	3,930,218	4,004,041	4,243,256	4,152,667	4,426,033	5,327,870	5,049,488
Federal sources	170,663	182,059	186,725	178,772	178,431	213,165	208,676	229,070	349,692	407,239
Total revenues	13,201,930	13,522,613	14,090,580	14,198,693	14,600,322	15,329,818	15,435,175	15,857,951	16,993,755	17,374,632
Expenditures										
Instruction										
Regular instruction	4,040,121	3,856,710	3,477,684	3,625,749	3,612,519	3,809,330	3,728,207	3,679,550	3,685,874	3,928,307
Special education instruction	1,501,049	1,458,580	1,520,152	1,650,527	1,700,093	1,828,260	1,793,901	1,684,109	1,800,910	1,929,528
Other special instruction	85,531	55,440	79,581	126,769	120,079	138,547	152,416	118,829	122,367	122,505
Other instruction	73,455	71,414	82,197	97,662	92,341	98,240	69,602	50,549	112,952	82,769
Support services										
Tuition	288,322	376,397	379,272	149,320	99,596	40,675	57,062	103,135	154,661	191,070
Student & instruction related services	1,424,208	1,609,023	1,547,908	1,373,252	1,578,914	1,712,132	1,635,902	1,691,666	1,753,821	1,701,927
General & business administrative services	814,918	777,896	788,711	909,544	810,437	845,909	880,110	949,358	840,667	946,854
Plant operations & maintenance	1,121,332	1,007,351	984,523	914,511	830,467	1,012,738	1,125,100	1,279,292	974,891	1,310,784
Pupil transportation	496,555	573,254	558,435	551,316	545,247	545,197	492,206	544,909	557,204	597,108
Employee benefits	2,670,626	2,574,545	2,789,567	2,693,102	2,684,934	2,740,779	2,739,659	2,804,025	2,755,133	2,772,640
On-behalf TPAF Pension & Social Security contributions	1,022,541	1,151,168	1,311,080	1,486,521	1,613,237	1,884,270	1,989,512	2,374,329	3,063,474	3,050,420
Capital outlay	243,747	245,645	237,891	67,021	618,241	127,301	9,815	584,712	134,618	2,079,391
Transfer to Charter schools	-	-	-	-	-	-	-	-	15,022	-
Capital projects fund	-	-	-	-	-	-	-	-	34,965	-
Debt service										
Interest & other charges	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165
Total expenditures	13,784,570	13,759,588	13,759,166	13,647,459	14,308,270	14,785,543	14,675,657	15,866,628	16,008,724	18,715,468

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (deficiency) of revenues over (under) expenditures	\$ (582,640)	\$ (236,975)	\$ 331,414	\$ 551,234	\$ 292,052	\$ 544,275	\$ 759,518	\$ (8,677)	\$ 985,031	\$ (1,340,836)
Other financing sources (uses)										
Transfer in	-	-	-	-	-	586,780	148,320	-	-	98,044
Transfer out	-	-	-	-	-	(586,780)	(148,320)	(5,000)	-	(98,044)
Total other financing sources (uses)	-	-	-	-	-	-	-	(5,000)	-	-
Net change in fund balances	<u>\$ (582,640)</u>	<u>\$ (236,975)</u>	<u>\$ 331,414</u>	<u>\$ 551,234</u>	<u>\$ 292,052</u>	<u>\$ 544,275</u>	<u>\$ 759,518</u>	<u>\$ (13,677)</u>	<u>\$ 985,031</u>	<u>\$ (1,340,836)</u>
Debt service as a percentage of non-capital expenditures	0.02%	0.02%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interest income	\$ 16,521	\$ 15,209	\$ 14,833	\$ 24,367	\$ 64,277	\$ 82,721	\$ 60,734	\$ 14,058	\$ 11,915	\$ 66,133
Tuition	111,100	131,710	297,748	242,462	255,547	512,220	570,926	566,389	493,635	603,272
E-rate	-	-	-	-	-	-	-	-	-	12,000
Prior year refunds	2,470	570	590	-	-	-	-	-	-	1,530
Miscellaneous	60,172	62,179	148,978	2,026	25,665	113,624	913	(436)	1,029	1,090
Facility rentals	1,630	1,445	1,240	-	-	-	-	-	130	420
Transportation	-	-	-	-	-	23,757	21,985	-	9,515	46,117
Shared services	-	-	-	86,750	125,545	-	86,842	74,906	15,000	15,000
Accounts payable canceled	-	-	-	-	-	-	-	-	1,366	8,593
NJSIG Safety Grant	-	-	-	-	-	-	-	-	2,000	-
Annual totals	\$ 191,893	\$ 211,113	\$ 463,389	\$ 355,605	\$ 471,034	\$ 732,322	\$ 741,400	\$ 654,917	\$ 534,590	\$ 754,155

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 9,484,500	\$ 9,672,500	\$ 9,509,700	\$ 9,361,300	\$ 9,125,600	\$ 8,719,400	\$ 8,385,645	\$ 9,870,600	\$ 8,616,300	\$ 8,587,300
Residential	606,741,700	609,183,900	617,692,700	619,632,200	617,929,600	622,250,100	624,970,400	782,010,100	777,282,993	777,287,833
Farm regular	78,980,056	76,537,900	71,112,500	71,448,900	73,487,117	71,759,400	71,452,100	87,034,700	88,560,000	89,375,300
Q farm	2,038,683	2,007,849	1,976,112	2,199,467	2,204,744	2,259,506	2,039,600	2,084,500	2,094,400	2,070,150
Commercial	34,324,900	34,186,300	34,982,300	35,886,800	37,264,300	37,264,300	36,291,100	47,554,500	46,892,100	44,154,299
Industrial	3,340,100	3,340,100	3,340,100	3,213,500	3,213,500	3,213,500	3,213,500	3,355,500	3,355,500	3,355,500
Apartment	1,912,400	1,912,400	1,912,400	1,912,400	1,912,400	1,912,400	1,912,400	2,539,500	3,421,060	3,421,060
Total assessed value	736,822,339	736,840,949	740,525,812	743,654,567	745,137,261	747,378,606	748,264,745	934,449,400	930,222,353	928,251,442
Public utilities (a)	87,531	69,480	68,276	66,063	65,914	65,914	65,914	94,882	94,882	-
Net valuation taxable	\$ 736,909,870	\$ 736,910,429	\$ 740,594,088	\$ 743,720,630	\$ 745,203,175	\$ 747,444,520	\$ 748,330,659	\$ 934,544,282	\$ 930,317,235	\$ 928,251,442
Estimated actual county equalized value	\$ 890,310,342	\$ 857,870,116	\$ 876,546,441	\$ 910,392,090	\$ 913,566,518	\$ 921,414,776	\$ 918,059,086	\$ 930,515,715	\$ 986,236,865	\$1,094,507,065
Percentage of net valuation to estimated actual equalized value	82.77%	85.90%	84.49%	81.69%	81.57%	81.12%	81.51%	100.43%	94.33%	84.81%
Total direct school tax rate (b)	\$ 1.275	\$ 1.289	\$ 1.309	\$ 1.332	\$ 1.354	\$ 1.381	\$ 1.128	\$ 1.153	\$ 1.195	\$ 1.231

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

* Revalued/Reassessed

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	
2014	\$ 1.275	\$ -	\$ 1.275	\$ 0.669	\$ 0.176	\$ 0.433	\$ 2.553
2015	1.289	-	1.289	0.675	0.243	0.440	2.647
2016	1.309	-	1.309	0.716	0.290	0.453	2.768
2017	1.332	-	1.332	0.742	0.332	0.454	2.860
2018	1.354	-	1.354	0.774	0.357	0.465	2.950
2019	1.381	-	1.381	0.740	0.363	0.461	2.945
2020	1.128	-	1.128	0.581	0.298	0.374	2.381
2021	1.153	-	1.153	0.628	0.304	0.380	2.465
2022	1.195	-	1.195	0.654	0.309	0.399	2.557
2023	1.231	-	1.231	0.696	0.315	0.444	2.686

Sources: Municipal Tax Collector

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Route 31 Imports Realty LLC	\$ 5,095,300	1	0.55%	\$ -	
Columbia Gas Transmission Corp	4,143,900	2	0.45%	3,916,300	1	0.53%
MCI Worldcom	3,000,000	2	0.32%	2,467,273	3	0.33%
Trimmer Road Company, LLC	2,881,500	3	0.31%	2,910,906	2	0.40%
Individual Property Owner	2,812,000	4	0.30%	-		0.00%
Rt 513 at Sliker LLC	2,573,200	5	0.28%	-		0.00%
Verizon Wireless	2,376,900	6	0.26%	2,000,100	4	0.27%
Individual Property Owner	2,092,500	7	0.23%	1,750,000	6	0.24%
Eastern Concrete Materials Inc	1,845,000	8	0.20%	1,951,500	5	0.26%
Davara Industrial Center LLC	1,788,000	9	0.19%	1,361,000	7	0.18%
Individual Property Owner	1,656,900	10	0.18%	-		0.00%
Individual Property Owner	-		0.00%	1,277,830	9	0.17%
High Bridge Quartet	-		0.00%	1,255,800	10	0.17%
Genon Rema NJ	-		0.00%	1,286,500	8	0.17%
	<u>\$ 30,265,200</u>		<u>3.27%</u>	<u>\$ 20,177,209</u>		<u>2.72%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2014	\$ 9,284,388	\$ 9,284,388	100.00%
2015	9,400,000	9,400,000	100.00%
2016	9,541,000	9,541,000	100.00%
2017	9,731,820	9,731,820	100.00%
2018	9,926,000	9,926,000	100.00%
2019	10,124,520	10,124,520	100.00%
2020	10,327,000	10,327,000	100.00%
2021	10,533,540	10,533,540	100.00%
2022	10,744,210	10,744,210	100.00%
2023	11,108,605	11,108,605	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.

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	
2015	-	-	-	-	-	-	N/A	N/A	
2016	-	-	-	-	-	-	N/A	N/A	
2017	-	-	-	-	-	-	N/A	N/A	
2018	-	-	-	-	-	-	N/A	N/A	
2019	-	-	-	-	-	-	N/A	N/A	
2020	-	-	-	-	-	-	N/A	N/A	
2021	-	-	-	-	-	-	N/A	N/A	
2022	-	-	-	-	-	-	N/A	N/A	
2023	-	-	-	-	-	-	N/A	N/A	

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ -	\$ -	\$ -	0.00%	\$ -
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(a) See Exhibit J-6 for property tax data.

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 893,401	100.00%	\$ 893,401
Regional High School	6,960,000	11.61%	807,869
County general obligation debt	74,164,045	4.23%	<u>3,139,309</u>
Subtotal, overlapping debt			4,840,579
School district direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 4,840,579</u></u>

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

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

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

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized Valuation Basis
	2022 \$ 1,096,830,979
	2021 988,024,976
	2020 941,321,044
	\$ 3,026,176,999
Average equalized valuation of taxable property	\$ 1,008,725,666
Debt limit (3.0% of average equalization value) (a)	\$ 30,261,770
Total net debt applicable to limit	-
Legal debt margin	\$ 30,261,770

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt limit	\$ 27,409,820	\$ 27,574,456	\$ 27,823,335	\$ 28,553,017	\$ 30,261,770
Total net debt applicable	-	-	-	-	-
Legal debt margin	\$ 27,409,820	\$ 27,574,456	\$ 27,823,335	\$ 28,553,017	\$ 30,261,770
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 26,938,057	\$ 26,286,099	\$ 26,341,652	\$ 26,859,556	\$ 27,303,793
Total net debt applicable	-	-	-	-	-
Legal debt margin	\$ 26,938,057	\$ 26,286,099	\$ 26,341,652	\$ 26,859,556	\$ 27,303,793
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized Valuation Bases were obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.
(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2014	6,216	\$ 467,536,440	\$ 75,215	4.8%
2015	6,194	488,471,228	78,862	4.4%
2016	6,167	499,409,827	80,981	4.1%
2017	6,131	513,550,953	83,763	3.7%
2018	6,123	519,916,176	84,912	3.8%
2019	6,112	537,452,608	87,934	3.0%
2020	6,095	560,410,870	91,946	7.7%
2021	6,056	575,852,928	95,088	4.6%
2022	6,210	622,788,480	100,288	3.2%
2023	6,225	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2020 Census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

LEBANON TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2023

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
-----------------	------------------	-------------	---

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2014

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

LEBANON TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	53.8	52.5	50.7	48.0	49.0	44.6	43.6	43.6	42.6	43.7
Special education	31.8	24.9	32.5	29.7	25.2	20.4	20.4	19.4	23.0	21.1
Other instruction	1.1	0.6	0.5	-	-	-	-	-	-	-
Support services										
Student and instruction related services	21.0	27.4	22.9	15.4	19.8	27.4	26.8	26.8	23.1	18.6
General administration	2.1	2.1	2.0	2.5	2.3	2.1	2.0	2.0	2.5	3.7
School administration services	6.8	7.0	7.0	7.0	4.2	4.0	4.0	4.0	3.4	3.0
Central services	1.8	2.0	2.0	1.5	1.4	1.4	2.4	1.4	2.5	3.0
Plant operations and maintenance	8.0	8.0	7.6	7.6	7.6	7.0	6.0	6.0	6.5	7.0
Transportation services	-	-	-	-	0.6	0.6	0.6	0.6	1.0	-
Total	<u>126.4</u>	<u>124.5</u>	<u>125.2</u>	<u>111.7</u>	<u>110.1</u>	<u>107.5</u>	<u>105.8</u>	<u>103.8</u>	<u>104.6</u>	<u>100.1</u>

Source: District Personnel Records

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	729	\$ 13,538,658	\$ 18,572	1.24%	67.0	1:10.88	724.6	694.6	2.07%	95.86%
2015	698	13,511,778	19,358	4.23%	62.0	1:11.26	687.5	657.5	-5.12%	95.64%
2016	663	13,519,110	20,391	5.34%	62.0	1:10.69	659.5	631.1	-4.07%	95.69%
2017	630	13,578,273	21,553	5.70%	64.0	1:9.84	624.2	594.0	-5.35%	95.16%
2018	593	13,687,864	23,082	7.09%	62.0	1:9.56	590.5	565.0	-5.40%	95.68%
2019	638	14,656,077	22,972	-0.48%	62.0	1:10.29	626.5	597.6	6.10%	95.39%
2020	632	14,663,677	23,202	1.00%	64.0	1:9.88	623.8	604.2	-0.43%	96.86%
2021	575	15,279,751	26,573	14.53%	69.0	1:8.33	574.7	555.1	-7.87%	96.59%
2022	601	15,871,941	26,409	-0.62%	67.0	1:8.97	586.2	553.9	2.00%	94.49%
2023	587	16,633,912	28,337	7.30%	64.8	1:9.06	581.8	545.0	-0.75%	93.67%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Valley View Elementary (1974)</u>										
Square feet	43,741	43,741	43,741	43,741	43,741	43,741	43,741	43,741	43,741	43,741
Capacity (students)	404	404	404	404	404	404	404	404	404	404
Enrollment	367	332	341	335	303	313	310	276	277	284
<u>Woodglen Middle School (1954)</u>										
Square feet	51,060	51,060	51,060	51,060	51,060	51,060	51,060	51,060	51,060	51,060
Capacity (students)	301	301	301	301	301	301	301	301	301	301
Enrollment	366	350	318	295	290	325	322	299	272	269
<u>Number of schools at June 30, 2023:</u>										
Elementary	1									
Middle	1									

Source: District Facilities Office

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

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed expenditures - Required maintenance for school facilities

Fiscal Year Ending	Valley View School	Woodglen School	Total
2014	\$ 63,815	\$ 55,174	\$ 118,989
2015	83,807	71,328	155,135
2016	52,121	154,311	206,432
2017	129,140	114,521	243,661
2018	108,414	96,141	204,555
2019	159,780	141,692	301,472
2020	194,293	172,297	366,590
2021	240,156	212,969	453,125
2022	96,508	85,582	182,090
2023	184,888	163,957	348,845
Total school facilities	<u>\$ 1,312,922</u>	<u>\$ 1,267,972</u>	<u>\$ 2,580,894</u>

Source: District Records

Notes: School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
(Unaudited)

	Coverage	Deductible
School Commercial Package Policy - Educational Risk and Insurance Consortium		
Property - Building Blanket and Contents (Policy Limit)	\$ 500,000,000	\$ 5,000
Comprehensive General Liability (Policy Limit)	11,000,000	-
Comprehensive Automobile Liability (Policy Limit)	11,000,000	-
School Board Legal Liability - Educational Risk and Insurance Consortium		
School Leaders Errors and Omissions Liability	11,000,000	5,000
Workmen's Compensation - Educational Risk and Insurance Consortium		
Per Accident, Disease and Disease Limit	3,000,000	-
Public Employees' Faithful Performance - Selective Insurance Company		
Treasurer of School Monies Bond	200,000	-
School Board Secretary Bond	200,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Honorable President and
Members of the Board of Education
Lebanon Township School District
Califon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Lebanon Township School District (the District) in the County of Hunterdon, 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, and have issued our report thereon dated November 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies as findings numbered 2023-001 and 2023-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002.

Lebanon Township School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lebanon Township School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

November 22, 2023
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the
New Jersey OMB Circular 15-08**

Honorable President and
Members of the Board of Education
Lebanon Township School District
Califon, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards 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 District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District'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*, and the New Jersey OMB's Circulars 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 District'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 District'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 New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District'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 instances of noncompliance which are required to be reported in accordance with the and the New Jersey OMB's Circulars 15-08 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies as findings numbered 2023-001 and 2023-002.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Lebanon Township School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA,
PSA NO. 20CS00265600

November 22, 2023
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

LEBANON TOWNSHIP SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Schedule A

For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/22	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust-ment	Repayment of Prior Year Balance	Balance June 30, 2023		
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education Special Revenue Fund															
Special education cluster (IDEA)															
IDEA Basic	84.027A	H027A220100	IDEA-2600-23	\$ 151,975	07/01/22	06/30/23	\$ -	\$ -	\$ 127,121	\$ 151,975	\$ -	\$ -	\$ (24,854)	\$ -	\$ -
IDEA Preschool	84.173A	H173S200114	IDEA-2600-21	4,656	07/01/20	06/30/21	(351)	-	-	-	-	-	(351)	-	-
IDEA Preschool	84.173A	H173S210114	IDEA-2600-22	4,629	07/01/21	06/30/22	155	-	75	230	-	-	-	-	-
IDEA Preschool	84.173A	H173S220114	IDEA-2600-23	9,843	07/01/22	06/30/23	-	-	6,404	8,692	-	-	(2,288)	-	-
Total special education cluster (IDEA)							(196)	-	133,600	160,897	-	-	(27,493)	-	-
Title I A	84.010	S010A200030	ESSA-2600-21	15,629	07/01/20	06/30/21	(4,158)	-	4,158	-	-	-	-	-	-
Title I A	84.010	S010A210030	ESSA-2600-22	14,539	07/01/21	06/30/22	(6,709)	-	6,709	-	-	-	-	-	-
Title I A	84.010	S010A220030	ESSA-2600-23	20,726	07/01/22	06/30/23	-	-	1,483	8,829	-	-	(7,346)	-	-
Title II A	84.367A	S367A200029	ESSA-2600-21	7,142	07/01/20	06/30/21	(4,724)	-	4,724	-	-	-	-	-	-
Title II A	84.367A	S367A210029	ESSA-2600-22	7,354	07/01/21	06/30/22	(279)	-	-	-	279	-	-	-	-
Title II A	84.367A	S367A220029	ESSA-2600-23	16,943	07/01/22	06/30/23	-	-	9,439	11,054	-	-	(1,615)	-	-
Title III	85.365	S365A210030	ESSA-2600-22	713	07/01/21	06/30/22	(1,416)	-	712	-	-	-	(704)	-	-
Title IV A	84.424A	S424200031	ESSA-2600-21	11,567	07/01/20	06/30/21	(7,267)	-	-	-	-	-	(7,267)	-	-
Title IV A	84.424A	S424210031	ESSA-2600-22	10,000	07/01/21	06/30/22	(6,397)	-	6,446	1,988	14	-	(1,925)	-	-
Title IV A	84.424A	S424220031	ESSA-2600-23	10,000	07/01/22	06/30/23	-	-	6,749	10,000	-	-	(3,251)	-	-
COVID-19															
ARP IDEA Preschool	84.173X	H173X210114	ARP-2600-22	2,109	07/01/20	06/30/21	-	-	361	383	-	-	(22)	-	-
CRRSA - ESSER II	84.425D	S425D210027	CRRSA-2600-23	51,175	03/13/20	09/30/23	-	-	11,175	11,175	-	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	CRRSA-2600-23	25,000	03/13/20	09/30/23	-	-	2,746	5,569	-	-	(2,823)	-	-
CRRSA - Mental Health	84.425D	S425D210027	CRRSA-2600-23	45,000	03/13/20	09/30/23	(2,300)	-	31,768	42,008	-	-	(12,540)	-	-
ARP - ESSER															
ARP - ESSER	84.425U	S425U210027	ESSER-2600-24	115,103	03/13/20	09/30/24	(11,384)	-	13,008	43,627	-	-	(42,003)	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	ESSER-2600-24	50,000	03/13/20	09/30/24	(809)	-	-	5,000	-	-	(5,809)	-	-
Evidenced Based Summer Learning and Enrichment	84.425U	S425U210027	ESSER-2600-24	40,000	03/13/20	09/30/24	-	-	40,000	40,000	-	-	-	-	-
Evidenced Based Comprehensive Beyond the School Day	84.425U	S425U210027	ESSER-2600-24	40,000	03/13/20	09/30/24	-	-	16,000	17,358	-	-	(1,358)	-	-
NJTSS Mental Health	84.425U	S425U210027	ESSER-2600-24	45,000	03/13/20	09/30/24	-	-	-	17,678	-	-	(17,678)	-	-
Rural Education Achievement Program	84.358	S358B220030	REAP-2600-23	49,595	07/01/21	06/30/23	-	-	49,595	49,595	-	-	-	-	-
Total Special Revenue Fund							(45,639)	-	338,673	425,161	293	-	(131,834)	-	-
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund															
Child Nutrition Cluster															
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	22,240	10/01/21	09/30/22	3,041	-	-	3,041	-	-	-	-	-
Non-Cash Assistance (Commodities)	10.555	231NJ304N1199	N/A	26,179	10/01/22	09/30/23	-	-	26,179	21,869	-	-	-	4,310	-
Cash Assistance	10.555	221NJ304N1099	N/A	249,650	10/01/21	09/30/22	(22,315)	-	22,315	-	-	-	-	-	-
Cash Assistance	10.555	231NJ304N1199	N/A	43,161	10/01/22	09/30/23	-	-	40,538	43,161	-	-	(2,623)	-	-
National Breakfast Program	10.553	221NJ304N1099	N/A	62,181	10/01/21	09/30/22	(6,015)	-	6,015	-	-	-	-	-	-
Total Child Nutrition Cluster							(25,289)	-	95,047	68,071	-	-	(2,623)	4,310	-
Supply Chain Assistance	10.555	231NJ304N1199	N/A	9,515	10/01/22	09/30/23	-	-	9,515	9,515	-	-	-	-	-
Total Enterprise Fund							(25,289)	-	104,562	77,586	-	-	(2,623)	4,310	-
Total Federal Awards							\$ (70,928)	\$ -	\$ 443,235	\$ 502,747	\$ 293	\$ -	\$ (134,457)	\$ 4,310	\$ -

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2022		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2023			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	23-495-034-5120-089	\$ 448,913	07/01/22	06/30/23	\$ -	\$ -	\$ 404,089	\$ 448,913	\$ -	\$ -	\$ -	\$ -	\$ 44,824	\$ 448,913
Equalization Aid	23-495-034-5120-078	235,248	07/01/22	06/30/23	-	-	211,759	235,248	-	-	-	-	23,489	235,248
School Choice Aid	23-495-034-5120-068	372,841	07/01/22	06/30/23	-	-	335,613	372,841	-	-	-	-	37,228	372,841
Security Aid	23-495-034-5120-084	54,166	07/01/22	06/30/23	-	-	48,758	54,166	-	-	-	-	5,408	54,166
Transportation Aid	23-495-034-5120-014	320,578	07/01/22	06/30/23	-	-	288,568	320,578	-	-	-	-	32,010	320,578
Stabilization Aid	23-495-034-5120-128	71,563	07/01/22	06/30/23	-	-	71,563	71,563	-	-	-	-	-	71,563
Extraordinary Aid	22-100-034-5120-044	548,520	07/01/21	06/30/22	(548,520)	-	548,520	-	-	-	-	-	-	548,520
Extraordinary Aid	23-100-034-5120-044	450,575	07/01/22	06/30/23	-	-	-	450,575	-	(450,575)	-	-	-	450,575
Non-Public Transportation Aid	22-495-034-5120-014	6,670	07/01/21	06/30/22	(6,670)	-	6,670	-	-	-	-	-	-	6,670
Non-Public Transportation Aid	23-495-034-5120-014	8,112	07/01/22	06/30/23	-	-	-	8,112	-	(8,112)	-	-	-	8,112
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Func	23-495-034-5094-002	2,057,607	07/01/22	06/30/23	-	-	2,057,607	2,057,607	-	-	-	-	-	2,057,607
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004	28,547	07/01/22	06/30/23	-	-	28,547	28,547	-	-	-	-	-	28,547
On-Behalf TPAF Pension Contribution - Post Retirement Medical	23-495-034-5094-001	548,027	07/01/22	06/30/23	-	-	548,027	548,027	-	-	-	-	-	548,027
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-001	925	07/01/22	06/30/23	-	-	925	925	-	-	-	-	-	925
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	393,285	07/01/21	06/30/22	(31,471)	-	31,471	-	-	-	-	-	-	393,285
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	415,314	07/01/22	06/30/23	-	-	373,563	415,314	-	(41,751)	-	-	-	415,314
Total General Fund					(586,661)	-	4,955,680	5,012,416	-	(500,438)	-	-	142,959	5,960,891
Special Revenue Fund														
SDA Emergent and Capital Maintenance Needs	22-100-034-5120-519	14,242	07/01/21	06/30/22	(14,242)	-	14,242	-	-	-	-	-	-	14,242
SDA Emergent and Capital Maintenance Needs	23-100-034-5120-519	13,226	07/01/22	06/30/23	-	-	13,226	13,226	-	-	-	-	-	13,226
Total Special Revenue Fund					(14,242)	-	27,468	13,226	-	-	-	-	-	27,468
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	22-100-010-3350-023	5,836	07/01/21	06/30/22	(514)	-	514	-	-	-	-	-	-	5,836
State School Lunch Program	23-100-010-3350-023	2,762	07/01/22	06/30/23	-	-	2,587	2,762	-	(175)	-	-	-	2,762
Total Enterprise Fund					(514)	-	3,101	2,762	-	(175)	-	-	-	8,598
Total State Financial Assistance					\$ (601,417)	\$ -	\$ 4,986,249	5,028,404	\$ -	\$ (500,613)	\$ -	\$ -	\$ 142,959	\$ 5,996,957
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002							2,057,607						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004							28,547						
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001							548,027						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-001							925						
Total for State Financial Assistance - Major Program Determination								\$ 2,393,298						

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Lebanon Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 \$23,846 for the general fund and (\$17,922) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 5,036,262	\$ 5,036,262
Special revenue fund	407,239	13,226	420,465
Food service fund	77,586	2,762	80,348
Total awards and financial assistance	\$ 484,825	5,052,250	5,537,075

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

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the fiscal year ended June 30, 2023. TPAF Social Security contribution represents the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the fiscal year ended June 30, 2023.

Note 6 - Indirect Costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes -No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?

Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

What was the dollar threshold used to distinguish between Type A and Type B programs?

Did the auditee qualify as a low-risk auditee?

Yes No

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes ___ No

Internal Control Over Major Programs:

1. Were material weakness(es) identified? ___ Yes X No

2. Were there significant deficiencies identified that are not considered to be material weaknesses? X Yes ___ None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? X Yes ___ No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
<i>23-495-034-5120-089</i>	<i>State Aid Public Cluster:</i>
<i>23-495-034-5120-078</i>	<i>Special Education Categorical Aid</i>
<i>23-495-034-5120-084</i>	<i>Equalization Aid</i>
<i>23-495-034-5120-068</i>	<i>Security Aid</i>
<i>23-495-034-5120-128</i>	<i>School Choice Aid</i>
	<i>Stabilization Aid</i>

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2023-001

Criteria

Budgetary line accounts should not be over-expended and county approval should be obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Condition

Reports of the Board Secretary submitted to the Board of Education for approval included over-expended line items.

Context

As part of our audit procedures, it was noted budgetary line accounts were over-expended and county approval was not obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Cause

Unknown

Effect

Various account balances were not accurate.

Recommendation

Budgetary line accounts should not be over-expended and county approval should be obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

View of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Finding 2023-002 (2022-01)

Criteria

Approval signatures certifying goods or services should be evident on all applicable payment forms.

Condition

In some instances, the District did not obtain the proper approval signatures certifying goods or services.

Context

An examination of claims paid during the period under review indicated discrepancies with respect to approval signatures.

Cause

Unknown

Effect

Approval signatures certifying goods or services to the District were at times not obtained and evident on payment forms.

Recommendation

Approval signatures for goods or services are to be obtained for all payments.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

Federal Awards

There were no findings or questioned costs for the fiscal year ended June 30, 2023.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

State Awards

Finding 2023-001

Criteria

Budgetary line accounts should not be over-expended and county approval should be obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Condition

Budgetary line accounts were over-expended and county approval was not obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Context

As part of our audit procedures, it was noted budgetary line accounts were over-expended and county approval was not obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Cause

Unknown

Effect

Various account balances were not accurate.

Recommendation

Budgetary line accounts should not be over-expended and county approval should be obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

View of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Finding 2023-002 (2022-001)

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Effect

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Recommendation

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Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Status of Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings except for 2022-001.