

LUMBERTON TOWNSHIP SCHOOL DISTRICT

Lumberton, New Jersey
County of Burlington

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

LUMBERTON TOWNSHIP SCHOOL DISTRICT

LUMBERTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by

**Lumberton Township School District
Finance Department**

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INTRODUCTORY SECTION

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Lumberton Township Board of Education
33 Municipal Drive
Lumberton, NJ 08048

Dr. Colleen Murray
Superintendent

Robert Kraft
Business Administrator

February 12, 2024

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Lumberton Township School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Lumberton Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, 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 cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors’ Report and includes the Management’s Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Lumberton Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	1,192	9.56%
2021-2022	1,088	-1.54%
2020-2021	1,105	-5.72%
2019-2020	1,172	-5.41%
2018-2019	1,239	-1.67%
2017-2018	1,260	-7.01%
2016-2017	1,355	-1.38%
2015-2016	1,374	-8.46%
2014-2015	1,501	0.54%
2013-2014	1,493	-2.42%

ECONOMIC CONDITION AND OUTLOOK

Lumberton Township has experienced slowdown to the development and expansion of the township. There are a few developments that will result in some additional housing. These parcels of undeveloped land have been approved for development by the Township. Lumberton Township is continuing to attempt to attract additional businesses to its previously rural and residential town. To attract the businesses in the town, the officials have agreed to abate taxes for a period. Several businesses have begun to pay their full amount of taxes to the town. The Township Officials are still working to attract businesses to move/develop within Lumberton Township.

MAJOR INITIATIVES

Real world learning - students have more opportunities to dive into problems that impact their daily lives through newly created or adopted project-based learning units. Curriculum writing, programmatic support through Defined Learning help students connect what they are learning in class with the problems they experience in their lives. The district continues to improve programmatic cohesion to help make learning more relevant and real-world. For instance, our science program had revisions based on the OpenSci Ed program that focuses on current problems such as climate related disasters. Teachers received professional development to support the new Math program, Illustrative Math, which relies on student problem solving skills by using real situations and problems. We support our new initiative - project based learning. Interdisciplinary connections that Project Based Learning brings means we need more thoughtful curricular integration. Our teacher leaders will continue to revise our curricula and help support teachers as they implement it.

Collaborative innovation – the district provided opportunities for the community to support our learners, as mentors, advisors, and authentic audiences. Events like learning expo's and project presentations brought collaborative innovation to the district.

Our goal of Safety and Security provided physical and behavioral supports throughout the district to keep us safe. We support student and staff wellbeing with initiatives like a staff wellness day, implementing trauma informed care through the Dreams Program coupled with Nurtured Heart, a new de-escalation program called Handle with Care. These new programs help us prevent and support behavioral problems. Our nurses support the medical needs of our students with new nurse-specific student information software. Upgraded cyber security measures keep our students safe through student information privacy measures.

INTERNAL ACCOUNTING CONTROLS

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

FINANCIAL POLICIES

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

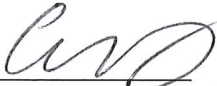
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Dr. Colleen Murray, Superintendent

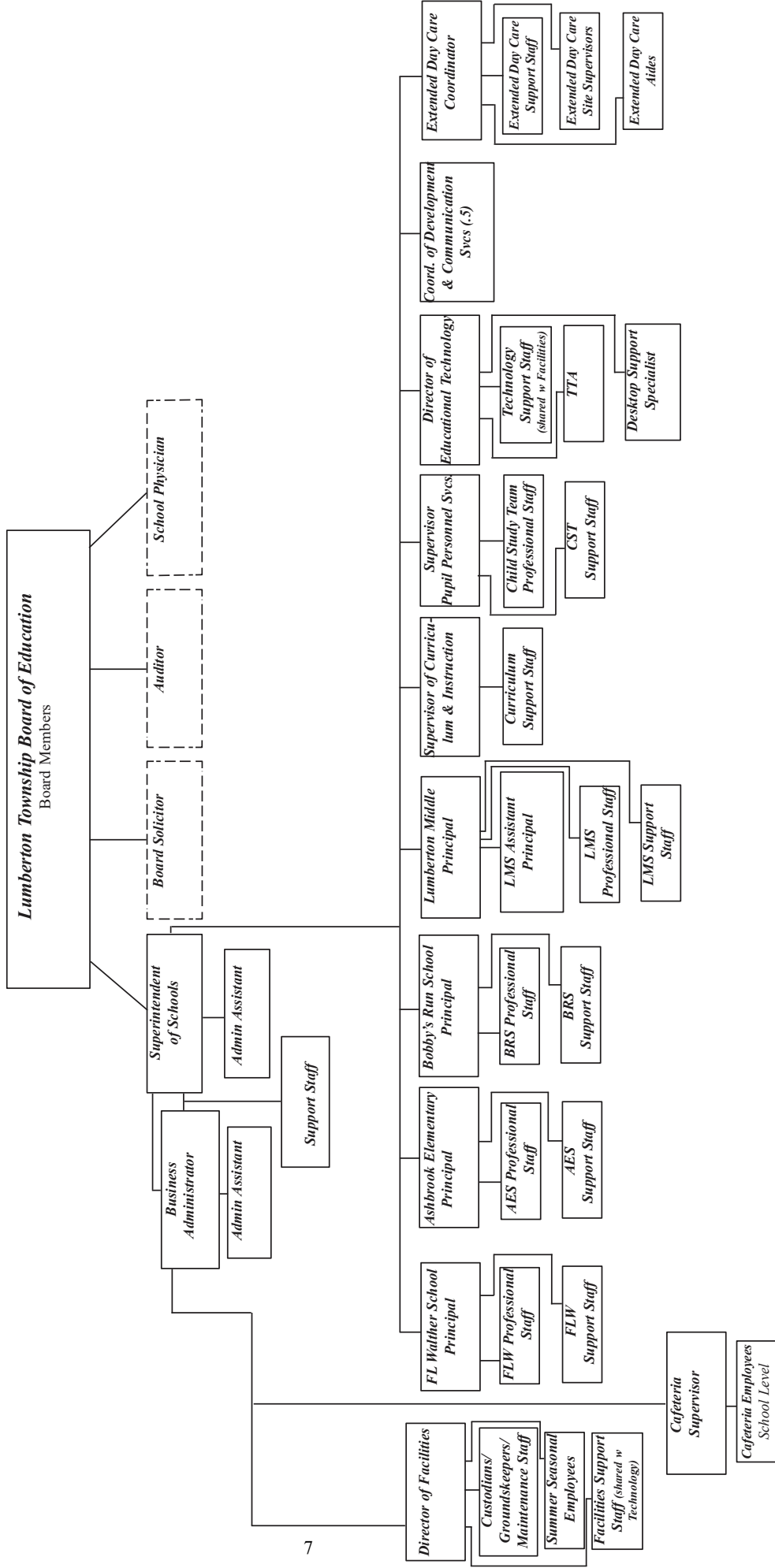


Robert Kraft, School Business Administrator/Board Secretary

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Lumberton Township Board of Education

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LUMBERTON TOWNSHIP SCHOOL DISTRICT
Lumberton, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
--	---------------------

Kevin Leahan, President	2024
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Melissa Cirii, Vice President	2023
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Dennis Davis Jr.	2023
------------------	------

Patricia Brining	2024
------------------	------

Jill Clevenger	2023
----------------	------

Thomas J. Colling	2024
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Sean Earlen	2025
-------------	------

Christopher Tommins	2023
---------------------	------

Marcy Smith	2025
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OTHER OFFICIALS

Colleen Murray, Superintendent

Robert Kraft, Business Administrator/Board Secretary

Matthew F. Holman, Treasurer

Frank P. Cavallo, Solicitor

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LUMBERTON TOWNSHIP SCHOOL DISTRICT
Lumberton, New Jersey

CONSULTANTS AND ADVISORS

INSURANCE AGENT

Burlington County Insurance Pool
Marlton, New Jersey

AUDIT FIRM

David T. McNally, CPA, RMA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Frank P. Cavallo, Jr.
Parker McCay P.A.
Mount Laurel, New Jersey

OFFICIAL DEPOSITORY

TD Bank
Cherry Hill, New Jersey

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School 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 Lumberton Township School District, County of Burlington, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental 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 School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 School 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School 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 information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, 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 New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with the 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 February 12, 2024 on our consideration of the School 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 describe the scope of our testing of internal control over

financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's 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 School District's internal control over financial reporting and compliance.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 12, 2024

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

As management of the Lumberton Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund and Extended Day Care Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds* and *proprietary funds*.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's enterprise funds (Food Service Fund and Extended Day Care Fund) are listed individually and is considered to be a major fund

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Table 1 provides a summary of the School Districts net position for the fiscal years 2023 compared to fiscal year 2022.

Table 1
Summary of Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 11,444,084	\$ 12,852,969	\$ (1,408,885)	-11.0%
Capital Assets, Net	23,841,075	23,201,929	639,146	2.8%
Total Assets	<u>35,285,159</u>	<u>36,054,898</u>	<u>(769,739)</u>	-2.1%
Deferred Outflow of Resources	<u>507,977</u>	<u>368,816</u>	<u>139,161</u>	37.7%
Current and Other Liabilities	1,105,481	1,157,871	(52,390)	-4.5%
Noncurrent Liabilities	<u>9,707,853</u>	<u>10,055,271</u>	<u>(347,418)</u>	-3.5%
Total Liabilities	<u>10,813,334</u>	<u>11,213,142</u>	<u>(399,808)</u>	-3.6%
Deferred Inflow of Resources	<u>2,834,460</u>	<u>4,842,381</u>	<u>(2,007,921)</u>	-41.5%
Net Position:				
Net Investment in Capital Assets	18,369,328	16,787,652	1,581,676	9.4%
Restricted	7,405,747	8,096,065	(690,318)	-8.5%
Unrestricted (Deficit)	<u>(3,629,733)</u>	<u>(4,760,430)</u>	<u>1,130,697</u>	-23.8%
Total Net Position	<u>\$ 22,145,342</u>	<u>\$ 20,368,191</u>	<u>\$ 2,022,055</u>	9.9%

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 2
Summary of Changes in Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 922,526	\$ 554,571	\$ 367,955	66.3%
Operating Grants & Contributions	7,505,143	6,979,364	525,779	7.5%
General Revenues:				
Property Taxes	15,853,545	15,551,289	302,256	1.9%
Federal & State Aid	5,710,682	7,148,195	(1,437,513)	-20.1%
Other General Revenues	844,945	1,017,870	(172,925)	-17.0%
Total Revenues	<u>30,836,841</u>	<u>31,251,289</u>	<u>(414,448)</u>	-1.3%
Function/Program Expenditures:				
Regular Instruction	5,516,497	5,800,536	(284,039)	-4.9%
Special Education Instruction	4,167,132	3,267,446	899,686	27.5%
Other Instruction	286,380	918,724	(632,344)	-68.8%
Tuition	1,579,288	939,534	639,754	68.1%
Student & Instruction Related Services	4,041,303	2,834,216	1,207,087	42.6%
General Administrative	460,074	563,646	(103,572)	-18.4%
School Administrative Services	530,981	568,848	(37,867)	-6.7%
Central Services	455,538	456,273	(735)	-0.2%
Administrative Info. Technology	249,382	285,912	(36,530)	-12.8%
Plant Operations & Maintenance	2,510,071	2,123,745	386,326	18.2%
Pupil Transportation	788,109	853,563	(65,454)	-7.7%
Unallocated Benefits	4,030,441	5,486,392	(1,455,951)	-26.5%
On Behalf TPAF Pension and Social				
Security Contributions	1,898,645	1,721,479	177,166	10.3%
Interest & Other Charges	146,412	168,277	(21,865)	-13.0%
Unallocated Depreciation	1,185,107	1,161,075	24,032	2.1%
Food Service	748,027	820,030	(72,003)	-8.8%
Extended Daycare	466,303	439,343	26,960	6.1%
Total Expenditures	<u>29,059,690</u>	<u>28,409,039</u>	<u>650,651</u>	2.3%
Change In Net Position	1,777,151	2,842,250	(1,065,099)	-37.5%
Net Position - Beginning	20,368,191	17,525,941	2,842,250	16.2%
Net Position - Ending	<u>\$ 22,145,342</u>	<u>\$ 20,368,191</u>	<u>\$ 1,777,151</u>	8.7%

Governmental Activities

During the fiscal year 2023, the net position of governmental activities increased by \$1,676,890 or 8.49%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$21,432,158 with an unrestricted deficit balance of \$3,923,717. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Governmental Activities (continued)

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (3,923,717)
Add back: PERS Pension Liability	3,594,818
Less: Deferred Outflows related to pensions	(502,384)
Add back: Deferred Inflows related to pensions	1,162,103
Unrestricted Net Position (Without GASB 68)	\$ 330,820

Business-type Activities

During the fiscal year 2023, the net position of business-type activities increased by \$100,261 or 16.36%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$713,184.

General Fund Budgeting Highlights

Final budgeted revenues was \$20,752,249, which was equal to the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$449,103.

Final budgeted appropriations was \$24,681,853, which was an increase of \$544,436 from the original budget. The increase is due to prior year encumbrances and a transfer from capital reserve for construction projects. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$2,521,435.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$8,546,960 at June 30, 2023, a decrease of \$(959,066) from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$8,747,410, a decrease of \$797,692 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund decreased by \$(818,839) to \$8,127,160 at June 30, 2023. The primary factor(s) affecting the change in fund balance of the general fund compared to the prior year is as follows:

- Increase of fund balance used to balance the 2022-2023 budget.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Governmental Funds (continued)

Special revenue fund – During the current fiscal year, the fund balance of the School District's special revenue fund increased by \$110,975 to \$61,258 at June 30, 2023. The primary factor(s) affecting the change in fund balance of the special revenue fund compared to the prior year is as follows:

- Recognizing the amount of the final two state aid payments from 2022.

Capital projects fund – During the current fiscal year, the fund balance of the School District's capital projects fund decreased by \$103,207 to \$538,938 at June 30, 2023. The primary factor(s) affecting the change in fund balance of the capital projects fund compared to the prior year is as follows:

- Continued spend down of ongoing project.

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$13,379 to \$20,054 at June 30, 2023.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$15,276 to \$486,805 at June 30, 2023. The primary factor(s) affecting the change in net position of the food service fund compared to the change in net position in the prior year is as follows:

- The District continues to receive increased federal subsidies.

Extended Day Program - During the current fiscal year, the net position of the School District's Extended Day Program increased by \$84,985 to \$226,379 at June 30, 2023. The net position decreased in the prior by \$3,152. The primary factor(s) affecting the change in net position compared to the prior year change in net position is as follows:

- In the current year, the program had a full year of normal operations which had been disrupted by the COVID-19 pandemic in the previous years.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$23,841,075 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District's investment in capital assets for the current fiscal year in the amount of \$639,146. Table 4 shows fiscal 2023 balances compared to 2022.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Capital Assets (continued)

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 1,236,485	\$ 1,236,485	\$ -	0.0%
Construction in Progress	6,069,092	6,090,712	(21,620)	100.0%
Land Improvements	2,890,924	2,667,235	223,689	8.4%
Building and Improvements	12,687,693	12,480,837	206,856	1.7%
Equipment	956,881	726,660	230,221	31.7%
	<u>\$ 23,841,075</u>	<u>\$ 23,201,929</u>	<u>\$ 639,146</u>	<u>2.8%</u>

Depreciation expense for the year was \$1,218,221. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$5,345,000 which is a decrease of \$895,000 from the prior year.

Additional information on the School District’s long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Factors on the School District’s Future

At the time these financial statements were prepared and audited, the Lumberton Township School District was aware of no existing circumstances that could significantly affect its financial health in the future.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District’s finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Business Administrator, Lumberton Township School District, 33 Municipal Drive, Lumberton, New Jersey 08048.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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

	GOVERNMENTAL <u>ACTIVITIES</u>	BUSINESS-TYPE <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash & Cash Equivalents	\$ 6,068,090	\$ 307,469	\$ 6,375,559
Receivables, Net (Note 4)	2,373,430	19,819	2,393,249
Lease Receivable (Note 4)	1,672,357	-	1,672,357
Internal Balances	43,173	(43,173)	-
Inventory	-	9,869	9,869
Restricted Cash & Cash Equivalents	993,050	-	993,050
Capital Assets, Net (Note 5)			
Non-depreciable	7,305,577	-	7,305,577
Depreciable	16,116,298	419,200	16,535,498
	<hr/>	<hr/>	<hr/>
Total Assets	34,571,975	713,184	35,285,159
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	502,384	-	502,384
Related to Loss on Debt Refunding	5,593	-	5,593
	<hr/>	<hr/>	<hr/>
Total Deferred Outflow of Resources	507,977	-	507,977
LIABILITIES:			
Accounts Payable	249,920	-	249,920
Due to Other Governments	316,514	-	316,514
Accrued Interest	58,634	-	58,634
Unearned Revenue	480,413	-	480,413
Noncurrent Liabilities (Note 7):			
Due within one year	964,628	-	964,628
Due in more than one year	8,743,225	-	8,743,225
	<hr/>	<hr/>	<hr/>
Total Liabilities	10,813,334	-	10,813,334
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,162,103	-	1,162,103
Related to Leases (Note 4)	1,672,357	-	1,672,357
	<hr/>	<hr/>	<hr/>
Total Deferred Inflow of Resources	2,834,460	-	2,834,460
NET POSITION:			
Net Investment in Capital Assets	17,950,128	419,200	18,369,328
Restricted for:			
Maintenance Reserve	327,953	-	327,953
Debt Service	20,054	-	20,054
Capital Projects	1,084,250	-	1,084,250
Unemployment	119,785	-	119,785
Student Activities	58,935	-	58,935
Scholarships	2,323	-	2,323
Excess Surplus	5,792,447	-	5,792,447
Unrestricted (Deficit)	(3,923,717)	293,984	(3,629,733)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 21,432,158	\$ 713,184	\$ 22,145,342

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

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 5,516,497	\$ -	\$ -	\$ -	(5,516,497)	\$ -	\$ (5,516,497)
Special Education Instruction	4,167,132	-	1,746,697	-	(2,420,435)	-	(2,420,435)
Other Special Instruction	158,109	-	-	-	(158,109)	-	(158,109)
Other Instruction	128,271	-	-	-	(128,271)	-	(128,271)
Support Services:							
Tuition	1,579,288	-	-	-	(1,579,288)	-	(1,579,288)
Health Services	186,766	-	-	-	(186,766)	-	(186,766)
Student & Instruction Related Services	3,688,365	75,201	1,984,998	-	(1,628,166)	-	(1,628,166)
Educational Media Services / School Library	166,172	-	-	-	(166,172)	-	(166,172)
General Administrative	460,074	-	-	-	(460,074)	-	(460,074)
School Administrative Services	530,981	-	-	-	(530,981)	-	(530,981)
Central Services	455,538	-	-	-	(455,538)	-	(455,538)
Administrative Info. Technology	249,382	-	-	-	(249,382)	-	(249,382)
Plant Operations & Maintenance	2,510,071	-	-	-	(2,510,071)	-	(2,510,071)
Pupil Transportation	788,109	-	-	-	(788,109)	-	(788,109)
Unallocated Benefits	4,030,441	-	1,409,363	-	(2,621,078)	-	(2,621,078)
On Behalf TPAF Pension and Social Security Contributions	1,898,645	-	1,898,645	-	-	-	-
Interest & Other Charges	146,412	-	-	-	(146,412)	-	(146,412)
Unallocated Depreciation	1,185,107	-	-	-	(1,185,107)	-	(1,185,107)
Total Governmental Activities	27,845,360	75,201	7,039,703	-	(20,730,456)	-	(20,730,456)
Business-Type Activities:							
Food Service	748,027	297,146	465,440	-	-	14,559	14,559
Extended Day Care	466,303	550,179	-	-	-	83,876	83,876
Total Business-Type Activities	1,214,330	847,325	465,440	-	-	98,435	98,435
Total Primary Government	\$ 29,059,690	\$ 922,526	\$ 7,505,143	\$ -	(20,730,456)	98,435	(20,632,021)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					15,167,584	-	15,167,584
Property Taxes, Levied for Debt Service					685,961	-	685,961
Federal & State Aid Restricted					363,885	-	363,885
Federal & State Aid Not Restricted					5,346,797	-	5,346,797
Miscellaneous					843,119	1,826	844,945
Total General Revenues and Special Items					22,407,346	1,826	22,409,172
Change In Net Position					1,676,890	100,261	1,777,151
Net Position - Beginning					19,755,268	612,923	20,368,191
Net Position - Ending					\$ 21,432,158	\$ 713,184	\$ 22,145,342

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

B. Fund Financial Statements

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Cash Equivalents	\$ 3,838,392	\$ 1,220,742	\$ 1,005,469	\$ 3,487	\$ 6,068,090
Receivables, Net:					
Interfund Receivable	1,627,370	-	-	27,669	1,655,039
Due from Other Governments:					
State	260,971	-	-	-	260,971
Federal	-	616,735	-	-	616,735
Other Receivables	1,432,053	63,671	-	-	1,495,724
Lease Receivable	1,672,357	-	-	-	1,672,357
Restricted Cash & Cash Equivalents	993,050	-	-	-	993,050
Total Assets	\$ 9,824,193	\$ 1,901,148	\$ 1,005,469	\$ 31,156	\$ 12,761,966
LIABILITIES, DEFERRED INFLOWS					
FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 1,328	\$ 232,744	\$ -	\$ -	\$ 234,072
Payroll Deductions and Withholdings Payable	15,848	-	-	-	15,848
Interfund Payable	-	1,134,233	466,531	11,102	1,611,866
Unearned Revenue	7,500	472,913	-	-	480,413
Total Liabilities	24,676	1,839,890	466,531	11,102	2,342,199
Deferred Inflows of Resources:					
Deferred Inflows Related to Leases	1,672,357	-	-	-	1,672,357
Fund Balances:					
Restricted for:					
Capital Reserve	545,312	-	-	-	545,312
Maintenance Reserve	327,953	-	-	-	327,953
Excess Surplus - Current year	2,423,355	-	-	-	2,423,355
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	3,369,092	-	-	-	3,369,092
Capital Projects	-	-	538,938	-	538,938
Debt Service	-	-	-	20,054	20,054
Unemployment Compensation	119,785	-	-	-	119,785
Student Activities	-	58,935	-	-	58,935
Scholarships	-	2,323	-	-	2,323
Assigned to:					
Designated for Subsequent Year's Expenditures	1,023,999	-	-	-	1,023,999
Other Purposes	8,980	-	-	-	8,980
Unassigned	308,684	-	-	-	308,684
Total Fund Balances	8,127,160	61,258	538,938	20,054	8,747,410
Total Liabilities & Fund Balances	\$ 9,824,193	\$ 1,901,148	\$ 1,005,469	\$ 31,156	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$50,985,084 and the accumulated depreciation is \$27,563,209.					
					23,421,875
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.					
Deferred Outflows related to pensions					502,384
Deferred Inflows related to pensions					(1,162,103)
Deferred Outflow related to the loss on bond refunding of debt					5,593
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.					
					(58,634)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.					
					(316,514)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
					<u>(9,707,853)</u>
Net Position of Governmental Activities					<u>\$ 21,432,158</u>

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
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	\$ 15,167,584	\$ -	\$ -	\$ 685,961	\$ 15,853,545
Miscellaneous	827,198	135,201	15,921	-	978,320
Total Local Sources	15,994,782	135,201	15,921	685,961	16,831,865
State Sources	10,504,097	2,108,319	-	363,885	12,976,301
Federal Sources	61,060	2,176,196	-	-	2,237,256
Total Revenues	26,559,939	4,419,716	15,921	1,049,846	32,045,422
Expenditures:					
Instruction:					
Regular Instruction	5,516,497	-	-	-	5,516,497
Special Education Instruction	2,420,435	1,746,697	-	-	4,167,132
Other Special Instruction	158,109	-	-	-	158,109
Other Instruction	128,271	-	-	-	128,271
Support Services:					
Tuition	1,579,288	-	-	-	1,579,288
Health Services	186,766	-	-	-	186,766
Student & Instruction Related Services	2,220,210	1,468,155	-	-	3,688,365
Educational Media Services / School Library	166,172	-	-	-	166,172
General Administrative	460,074	-	-	-	460,074
School Administrative Services	530,981	-	-	-	530,981
Central Services	455,538	-	-	-	455,538
Administrative Info. Technology	249,382	-	-	-	249,382
Plant Operations & Maintenance	2,510,071	-	-	-	2,510,071
Pupil Transportation	788,109	-	-	-	788,109
Unallocated Benefits	3,631,620	612,820	-	-	4,244,440
On Behalf TPAF Pension and Social Security Contributions	5,218,360	-	-	-	5,218,360
Capital Outlay	989,716	604,459	103,207	-	1,697,382
Debt Service:					
Principal	-	-	-	895,000	895,000
Interest & Other Charges	45,789	-	-	157,388	203,177
Total Expenditures	27,255,388	4,432,131	103,207	1,052,388	32,843,114
Excess/(Deficiency) of Revenues over Expenditures	(695,449)	(12,415)	(87,286)	(2,542)	(797,692)
Other Financing Sources (Uses):					
Transfers in	-	123,390	-	15,921	139,311
Transfers out	(123,390)	-	(15,921)	-	(139,311)
Total Other Financing Sources (Uses)	(123,390)	123,390	(15,921)	15,921	-
Net changes in fund balances	(818,839)	110,975	(103,207)	13,379	(797,692)
Fund Balance, July 1	8,945,999	(49,717)	642,145	6,675	9,545,102
Fund Balance, June 30	\$ 8,127,160	\$ 61,258	\$ 538,938	\$ 20,054	\$ 8,747,410

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

**LUMBERTON 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 Funds (B-2) \$ (797,692)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation capital outlays exceeded in the period.

	Depreciation Expense	\$ (1,185,107)	
	Capital Outlays	<u>1,697,382</u>	512,275

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. 908,119

Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 895,000

Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

	Amorization of premium on bonds	49,628	
	Amorization of loss on Bond Refunding	<u>(2,098)</u>	47,530

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+). 9,235

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 102,423

Change in Net Position of Governmental Activities \$ 1,676,890

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		<u>TOTAL</u>
	<u>EXTENDED DAY CARE</u>	<u>FOOD SERVICE</u>	
Current Assets:			
Cash & Cash Equivalents	\$ 168,094	\$ 139,375	\$ 307,469
Accounts Receivable:			
State	-	625	625
Federal	-	19,194	19,194
Inventories	-	9,869	9,869
Total Current Assets	<u>168,094</u>	<u>169,063</u>	<u>337,157</u>
Noncurrent Assets:			
Equipment	286,124	942,967	1,229,091
Less: Accumulated Depreciation	<u>(227,839)</u>	<u>(582,052)</u>	<u>(809,891)</u>
Total Noncurrent Assets	<u>58,285</u>	<u>360,915</u>	<u>419,200</u>
Total Assets	<u>226,379</u>	<u>529,978</u>	<u>756,357</u>
LIABILITIES			
Current Liabilities:			
Interfund Payables	-	43,173	43,173
Total Current Liabilities	<u>-</u>	<u>43,173</u>	<u>43,173</u>
Total Liabilities	<u>-</u>	<u>43,173</u>	<u>43,173</u>
NET POSITION			
Investment in Capital Assets	58,285	360,915	419,200
Unrestricted	<u>168,094</u>	<u>125,890</u>	<u>293,984</u>
Total Net Position	<u>\$ 226,379</u>	<u>\$ 486,805</u>	<u>\$ 713,184</u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	EXTENDED	FOOD	TOTAL
	<u>DAY CARE</u>	<u>SERVICE</u>	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:	\$ -	\$ 210,803	\$ 210,803
Daily Sales - Nonreimbursable Programs	-	79,974	79,974
Special Functions	-	5,521	5,521
Enrollment Fees	549,753	-	549,753
Miscellaneous	426	848	1,274
Total Operating Revenue	550,179	297,146	847,325
Operating Expenses:			
Cost of Sales - Reimbursable Programs	-	188,779	188,779
Cost of Sales - Nonreimbursable Programs	-	71,618	71,618
Salaries	384,395	249,024	633,419
Employee Benefits	34,789	52,201	86,990
Supplies and Materials	4,028	37,684	41,712
Management Fee	-	70,278	70,278
Miscellaneous	30,838	57,582	88,420
Depreciation	12,253	20,861	33,114
Total Operating Expenses	466,303	748,027	1,214,330
Operating Income/(Loss)	83,876	(450,881)	(367,005)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	6,710	6,710
State Reduced School Lunch Program	-	4,540	4,540
State Reduced Breakfast Program	-	1,804	1,804
Federal Sources:			
National School Lunch Program	-	235,608	235,608
National School Breakfast Program	-	65,653	65,653
National School Snack Program	-	1,297	1,297
Supply Chain Assistance Program	-	63,974	63,974
Healthy Hunger Free Kids Act	-	8,349	8,349
Food Distribution Program	-	77,505	77,505
Interest and Investment Revenue	1,109	717	1,826
Total Nonoperating Revenues/(Expenses)	1,109	466,157	467,266
Change in Net Position	84,985	15,276	100,261
Total Net Position - July 1	141,394	471,529	612,923
Total Net Position - June 30	\$ 226,379	\$ 486,805	\$ 713,184

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	EXTENDED	FOOD	TOTAL
	<u>DAY CARE</u>	<u>SERVICE</u>	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 550,179	\$ 297,146	\$ 847,325
Payments to Employees	(384,395)	(249,024)	(633,419)
Payment to Employee Benefits	(34,789)	(52,201)	(86,990)
Payments to Suppliers	(47,802)	(425,331)	(473,133)
Net Cash Provided/(Used) by Operating Activities	<u>83,193</u>	<u>(429,410)</u>	<u>(346,217)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	13,182	13,182
Federal Sources	-	477,422	477,422
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>490,604</u>	<u>490,604</u>
Cash Flows From Investing Activities:			
Purchase of Capital Assets	-	(159,985)	(159,985)
Interest on Investments	1,109	717	1,826
Net Cash Provided by Investing Activities	<u>1,109</u>	<u>(159,268)</u>	<u>(158,159)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	84,302	(98,074)	(13,772)
Cash & Cash Equivalents, July 1	<u>83,792</u>	<u>237,449</u>	<u>321,241</u>
Cash & Cash Equivalents, June 30	<u>\$ 168,094</u>	<u>\$ 139,375</u>	<u>\$ 307,469</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ 83,876	\$ (450,881)	\$ (367,005)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	12,253	20,861	33,114
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	1,427	1,427
(Decrease)/Increase in Accounts Payable	-	(817)	(817)
(Decrease)/Increase in Interfunds	(12,936)	-	(12,936)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 83,193</u>	<u>\$ (429,410)</u>	<u>\$ (346,217)</u>

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

Note 1. Summary of Significant Accounting Policies

The financial statements of the Board of Education of Lumberton Township School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Lumberton Township School District (hereafter referred to as the “District”) is a Type II district located in the County of Burlington, 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. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through eighth at its three schools. The District has an approximate enrollment at June 30, 2023 of 1,192 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2023.

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

Note 1. Summary of Significant Accounting Policies (continued):

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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

Note 1. Summary of Significant Accounting Policies (continued):

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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 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 in 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges 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 taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

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 year-end. 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 and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are

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

Note 1. Summary of Significant Accounting Policies (continued):

reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

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. The principal operating revenues of the Food Service Fund and the Extended Day Care program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

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 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Note 1. Summary of Significant Accounting Policies (continued):

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are special 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 reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Extended Day Care Fund – This fund accounts for the revenues and expenses pertaining to the District’s extended day care program.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

Note 1. Summary of Significant Accounting Policies (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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 assigned 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 a reduction of the accounts receivables or as unearned revenue 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.

Cash and Cash Equivalents

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

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

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

Note 1. Summary of Significant Accounting Policies (continued):

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

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2023 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Leases Receivable

Lease receivables are recorded on the government-wide financial statement and in the governmental funds. At the commencement of a lease, the District recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Note 1. Summary of Significant Accounting Policies (continued):

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting 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 assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

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

Note 1. Summary of Significant Accounting Policies (continued):

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2023.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Note 1. Summary of Significant Accounting Policies (continued):

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the

District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The District has implemented this standard as of June 30, 2023.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

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

Note 1. Summary of Significant Accounting Policies (continued):

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

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

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

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the District’s bank balance of \$9,073,551 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	8,668,211
Uninsured and Uncollateralized		405,340
	\$	9,073,551

Investments

The School District has no investments at June 30, 2023.

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the District by inclusion of \$1,000 on June 30, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

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

Note 3. Reserve Accounts (continued):

Beginning Balance, July 1, 2022	\$	1,469,566
Increased by:		
Interest Earnings		13,966
Return of Unspent Funds		151,780
		1,635,312
Decreased by:		
Budget Withdrawals		(1,090,000)
Ending Balance, June 30, 2023	\$	545,312

The June 30, 2023 balance did not exceed the LRFPS balance of local support costs of uncompleted capital projects.

B. Maintenance Reserve

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning Balance, July 1, 2022	\$	519,560
Increased by:		
Interest Earnings		3,393
		522,953
Decreased by:		
Transfers to Budget		(195,000)
Ending Balance, June 30, 2023	\$	327,953

Note 4. Receivables

Accounts Receivable

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the

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

Note 4. Receivables (continued):

current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 616,735	\$ 616,735	\$ 19,194	\$ 19,194
State Awards	260,971	-	260,971	625	625
Other	1,432,053	63,671	1,495,724	-	-
Total	\$ 1,693,024	\$ 680,406	\$ 2,373,430	\$ 19,819	\$ 19,819

Lease Receivable

In accordance with GASB Statement No. 87, the District is reporting a lease receivable of \$1,672,357 as of June 30, 2023. In March of 2021, the District entered into a lease agreement with Hampton Academy. Under this lease, Hampton Academy will pay the District an initial annual amount of \$510,000, payable in equal month installments of \$42,500. This fixed rent amount will increase by 3.0% on each subsequent anniversary of the commencement date. There is no stated discount rate in the lease agreement.

In the fiscal year 2023, the District recognized \$480,250 of lease revenue.

Note 5. Capital Assets

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

	Balance July 1, 2022	Additions	Retirements and Transfers	Adjustments	Balance June 30, 2023
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 1,236,485	\$ -	\$ -	\$ -	\$ 1,236,485
Construction in Progress	6,069,092	-	-	-	6,069,092
Total Capital Assets not being depreciated	7,305,577	-	-	-	7,305,577
Capital Assets being depreciated:					
Land Improvements	6,555,016	530,821	-	-	7,085,837
Buildings and Improvements	32,458,885	953,146	-	-	33,412,031
Equipment	2,968,224	213,415	-	-	3,181,639
Total Capital Assets being depreciated	41,982,125	1,697,382	-	-	43,679,507
Less: Accumulated Depreciation:					
Land Improvements	(3,887,782)	(307,131)	-	-	(4,194,913)
Buildings and Improvements	(20,247,942)	(700,908)	-	-	(20,948,850)
Equipment	(2,242,378)	(177,068)	-	-	(2,419,446)
Total Accumulated Depreciation	(26,378,102)	(1,185,107)	-	-	(27,563,209)
Total Capital Assets being depreciated, net	15,604,023	512,275	-	-	16,116,298
Total Governmental Activities Capital Assets, net	\$ 22,909,600	\$ 512,275	\$ -	\$ -	\$ 23,421,875

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

Note 5. Capital Assets (continued):

	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements and Transfers	<u>Adjustments</u>	Balance June 30, <u>2023</u>
Business-Type Activities:					
Buildings and Improvements	\$ 290,659	\$ 159,985	\$ -	\$ -	\$ 450,644
Equipment	778,447	-	-	-	778,447
	<u>1,069,106</u>	<u>159,985</u>	<u>-</u>	<u>-</u>	<u>1,229,091</u>
Less: Accumulated Depreciation:					
Buildings and Improvements	(213,879)	(12,253)	-	-	(226,132)
Equipment	(562,898)	(20,861)	-	-	(583,759)
	<u>(776,777)</u>	<u>(33,114)</u>	<u>-</u>	<u>-</u>	<u>(809,891)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 292,329</u>	<u>\$ 126,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,200</u>

Depreciation expense was not allocated among the various functions/programs of the School District.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2023 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,627,370	\$ -
Special Revenue Fund	-	1,134,233
Capital Projects Fund	-	466,531
Debt Service Fund	27,669	11,102
Food Service Fund	-	43,173
	<u>\$ 1,655,039</u>	<u>\$ 1,655,039</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 123,390
Special Revenue Fund	123,390	-
Capital Projects Fund	-	15,921
Debt Service Fund	15,921	-
	<u>\$ 139,311</u>	<u>\$ 139,311</u>

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

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 6,240,000	\$ -	\$ 895,000	\$ 5,345,000	\$ 915,000
Unamortized Bond Premiums	181,968	-	49,628	132,340	49,628
Compensated Absences	738,118	-	102,423	635,695	-
Net Pension Liability	2,895,185	699,633	-	3,594,818	-
	<u>\$ 10,055,271</u>	<u>\$ 699,633</u>	<u>\$ 1,047,051</u>	<u>\$ 9,707,853</u>	<u>\$ 964,628</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences, capital leases, unamortized bond premiums, assessments and net pension liability are liquidated by the general fund.

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2023, bonds payable consisted of the following individual issues:

On July 18, 2019 the School District issued \$4,881,000 of General Obligation Bonds. The purpose of the Bonds is to permanently finance renovations, alterations and improvements at Ashbrook Elementary School, Bobby's Run School, Lumberton Middle School and Florence L. Walther Elementary School including related work, fixtures, furnishings, equipment and site work. The General Obligation Bonds were issued at interest rates varying from 2.000% to 2.250% and mature on July 15, 2029.

On February 25, 2021 the School District issued \$2,555,000 of Refunding Bonds to refund the callable portion of the outstanding 2010 Bond Issue. The Refunding Bonds were issued at interest rates varying from 3.000% to 4.000% and mature on February 15, 2026.

Principal and Interest due on the outstanding bonds is as follows:

Fiscal Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2024	915,000	134,438	1,049,438
2025	940,000	110,778	1,050,778
2026	1,000,000	80,641	1,080,641
2027	605,000	47,284	652,284
2028	615,000	34,322	649,322
2029-2030	1,270,000	28,293	1,298,293
	<u>\$ 5,345,000</u>	<u>\$ 435,756</u>	<u>\$ 5,780,756</u>

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

Note 7. Long-Term Obligations (continued):

B. Bonds Authorized But Not Issued:

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

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to 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 benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 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 the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$3,594,818 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.023820%, which was a decrease of 0.00062% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense/(benefit) of \$(607,732) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School 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	\$ 25,946	\$ 22,880
Changes of Assumptions	11,138	538,287
Net Difference between Projected and Actual Earnings on Pension Plan Investments	148,786	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	-	600,936
School District Contributions Subsequent to Measurement Date	316,514	-
	\$ 502,384	\$ 1,162,103

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

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

\$316,514 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,	Amount
2023	\$ (802,114)
2024	(408,650)
2025	(199,291)
2026	434,777
2027	(955)
	(976,233)
	\$ (976,233)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

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

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022		5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
June 30, 2022	5.00	
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

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

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

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

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
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%
	100.00%	

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

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 4,657,400	\$ 3,594,818	\$ 2,746,872

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

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,091,376,611	11,972,782,878
District's portion of the Plan's total Net Pension Liability	0.023820%	0.024439%

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, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the 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 the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the 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 employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2023. The State's proportionate share of the contribution associated with the special funding situation was \$7,564 as of June 30, 2023. These are based on measurements as of June 30, 2022.

B. Teachers' 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 Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

The following represents the membership tiers for TPAF:

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

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 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

As mentioned previously, 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, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does 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.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$43,855,220. The School District's proportionate share was \$-0-.

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

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.08500%, which was a decrease of 0.00353% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School District recognized \$1,180,266 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

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

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

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

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

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

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
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%
	<u>100.00%</u>	

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

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>51,421,177</u>	<u>43,855,220</u>	<u>37,481,852</u>
	<u>\$ 51,421,177</u>	<u>\$ 43,855,220</u>	<u>\$ 37,481,852</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.08500%	0.08853%

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

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- 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 established "maximum compensation" limits
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2023, employee contributions totaled \$42,007, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$22,913.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

Note 9. Other Post-Retirement Benefits (continued)

General Information about the OPEB Plan (continued)

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

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

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

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

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

Note 9. Other Post-Retirement Benefits (continued)

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

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

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$52,447,317. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.10356%, which was an increase of 0.00133% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$796,044 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increased to 13.44% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increased 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 decreased 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.

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

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

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

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 61,646,304	\$ 52,447,317	\$ 45,074,789
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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

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

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 43,350,913	\$ 52,447,317	\$ 64,395,996
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

* See Healthcare Cost Trend Assumptions for details of rates.

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

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ -	\$ -
Differences between Expected & Actual Experience	9,042,402,619	(15,462,950,679)
Change in Assumptions	8,765,620,577	(17,237,289,230)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ 17,808,023,196	\$ (32,700,239,909)

** Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

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

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

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

	June 30, 2021
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
	364,817

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

Note 9. Other Post-Retirement Benefits (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability

Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,736
Change in Benefit Tiers	-
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	<u>(1,329,476,059)</u>
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	<u>60,007,650,970</u>
Total OPEB Liability (Ending)	<u>\$ 50,646,462,966</u>
Total Covered Employee Payroll	\$ 14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for normal costs, social security costs, post-retirement medical costs, and long-term disability were \$3,563,388, 718,379, \$936,094 and \$499, respectively.

Note 11. Risk Management

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

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

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

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

Note 11. Risk Management (Continued):

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 21,957	\$ 24,267	\$ 241		\$ 119,785
2021-2022	-	21,942	15	21,957	73,320
2020-2021	-	28,442	2	-	73,320

Joint Insurance Pool – The School District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage’s:

Property – Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers’ Compensation
School Board Legal Liability	Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

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

Lincoln Investment Planning
AXA Equitable

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

Note 15. Compensated Absences

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

District employees are granted varying amount of vacation and sick leave in accordance with the District's personnel policies. The District 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 Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$635,695 and \$0, respectively.

Note 16. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 was \$2,423,355.

Note 18. Fund Balance

General Fund – Of the \$8,127,160 General Fund fund balance at June 30, 2023, \$545,312 has been reserved in the Capital Reserve Account; \$327,953 has been reserved in the maintenance reserve account; \$2,423,355 is restricted for current year excess surplus; \$3,369,092 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$1,023,999 has been assigned as designated for

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

Note 18. Fund Balance (continued):

subsequent year's expenditures; \$119,785 is restricted for New Jersey Unemployment Compensation; \$8,980 has been assigned to other purposes; and \$308,684 is unassigned.

Special Revenue Fund – Of the \$61,258 Special Revenue Fund fund balance at June 30, 2023, \$58,935 is restricted for student activities and \$2,323 is restricted for scholarships.

Capital Projects Fund – Of the \$538,938 Capital Projects Fund fund balance at June 30, 2023, \$538,938 is restricted for future capital project payments.

Debt Service Fund – Of the \$20,054 Debt Service Fund fund balance at June 30, 2023, \$20,054 is restricted for future debt service payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District's governmental activities had a deficit in unrestricted net position in the amount of \$3,923,717. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments, and the recording of the net pension liability for the Public Employees' Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and February 12, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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LUMBERTON TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 15,167,584	\$ -	\$ 15,167,584	\$ 15,167,584	\$ -
Interest on Maintenance Reserve	10-1000	200	-	200	3,393	3,193
Interest on Capital Reserve	10-1000	500	-	500	13,966	13,466
Miscellaneous	10-1000	695,300	-	695,300	809,839	114,539
Total Local Sources		15,863,584	-	15,863,584	15,994,782	131,198
State Sources:						
Categorical Transportation Aid	10-3121	73,845	-	73,845	73,845	-
Categorical Special Education Aid	10-3132	906,745	-	906,745	906,745	-
Equalization Aid	10-3176	3,699,051	-	3,699,051	3,699,051	-
Categorical Security Aid	10-3177	176,844	-	176,844	176,844	-
Non Public School Transportation Aid	10-3190	-	-	-	34,142	34,142
Extraordinary Aid	10-3131	-	-	-	162,333	162,333
Stabilization Aid	10-3246	-	-	-	88,800	88,800
Securing our Children's Future Bond Act	10-3256	-	-	-	3,750	3,750
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	936,094	936,094
Normal Pension Contributions		-	-	-	3,563,388	3,563,388
Long Term Disability Insurance		-	-	-	499	499
Reimbursed TPAF Social Security		-	-	-	718,379	718,379
Total State Sources		4,856,485	-	4,856,485	10,363,870	5,507,385
Federal Sources:						
FFCRA/SEMI	10-4210				4,138	4,138
Special Education Medicaid Initiative (SEMI)	10-4210	32,180	-	32,180	56,922	24,742
Total Federal Sources		32,180	-	32,180	61,060	28,880
Total Revenues		20,752,249	-	20,752,249	26,419,712	5,667,463
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Local Contrib. - Trans to Special Rev - Inclusion	11-105-100-936	123,390	-	123,390	123,390	-
Preschool/Kindergarten	11-110-100-101	366,010	(1,431)	364,579	364,579	-
Grades 1 - 5	11-120-100-101	2,620,304	(64,788)	2,555,516	2,525,492	30,024
Grades 6 - 8	11-130-100-101	1,847,182	64,999	1,912,181	1,891,285	20,896
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	19,250	16,833	36,083	34,383	1,700
Purchased Professional - Educational Services	11-150-100-320	13,000	87,992	100,992	49,924	51,068
Regular Programs - Undistributed Instruction:						
Purchased Professional - Educational Services	11-190-100-320	376,100	(30,000)	346,100	336,942	9,158
Purchased Technical Services	11-190-100-340	2,250	-	2,250	-	2,250
General Supplies	11-190-100-610	437,821	(21,432)	416,389	314,048	102,341
Textbooks	11-190-100-640	3,398	-	3,398	(156)	3,554
Other Objects	11-190-100-800	1,200	-	1,200	-	1,200
Total Regular Programs		5,809,905	52,173	5,862,078	5,639,887	222,191

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	307,889	27	307,916	281,909	26,007
Other Salaries for Instruction	11-204-100-106	291,062	(15,000)	276,062	282,747	(6,685)
General Supplies	11-204-100-610	9,459	-	9,459	5,161	4,298
Total Learning &/or Language Disabilities		608,410	(14,973)	593,437	569,817	23,620
Behavioral Disabilities						
Salaries of Teachers	11-209-100-101	98,609	(27,744)	70,865	57,996	12,869
Other Salaries for Instruction	11-209-100-106	19,357	-	19,357	19,089	268
General Supplies	11-209-100-610	2,000	-	2,000	1,623	377
Total Behavioral Disabilities		119,966	(27,744)	92,222	78,708	13,514
Resource Room / Resource Center:						
Salaries of Teachers	11-213-100-101	1,378,884	(29,167)	1,349,717	1,349,717	-
Other Salaries for Instruction	11-213-100-106	220,367	46,986	267,353	266,919	434
General Supplies	11-213-100-610	17,812	(5,052)	12,760	6,089	6,671
Total Resource Room/Resource Center		1,617,063	12,767	1,629,830	1,622,725	7,105
Preschool Disabilities - Part-Time:						
Other Salaries for Instruction	11-215-100-106	-	2,866	2,866	2,866	-
Total Preschool Disabilities - Part-Time		-	2,866	2,866	2,866	-
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	116,392	(2,866)	113,526	107,730	5,796
Other Salaries for Instruction	11-216-100-106	57,304	(34,700)	22,604	22,225	379
General Supplies	11-216-100-600	5,000	-	5,000	4,992	8
Total Preschool Disabilities - Full-Time		178,696	(37,566)	141,130	134,947	6,183
Home Instruction						
Purchased Prof.- Ed Services	11-219-100-320	20,000	-	20,000	11,372	8,628
Total Home Instruction		20,000	-	20,000	11,372	8,628
Total Special Education		2,544,135	(64,650)	2,479,485	2,420,435	59,050
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	83,947	851	84,798	62,015	22,783
Other Salaries for Instruction	11-230-100-106	257,010	-	257,010	-	257,010
General Supplies	11-230-100-610	13,824	-	13,824	3,013	10,811
Total Basic Skills/Remedial - Instruction		354,781	851	355,632	65,028	290,604
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	95,443	-	95,443	92,889	2,554
General Supplies	11-240-100-610	1,550	-	1,550	192	1,358
Textbooks	11-240-100-640	761	-	761	-	761
Total Bilingual Education - Instruction		97,754	-	97,754	93,081	4,673
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	97,169	-	97,169	62,340	34,829
Supplies and Materials	11-401-100-600	6,577	2,059	8,636	5,918	2,718
Total School Sponsored Cocurricular - Activities		103,746	2,059	105,805	68,258	37,547
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	35,159	100	35,259	32,593	2,666
Supplies and Materials	11-402-100-600	3,670	-	3,670	2,673	997
Other Objects	11-402-100-800	4,600	-	4,600	2,835	1,765
Total School Sponsored Athletics - Instruction		43,429	100	43,529	38,101	5,428

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Before/After School - Instruction:						
Salaries - Teacher Tutors	11-421-100-178	4,950	-	4,950	1,870	3,080
Total Before/After School Programs- Instruction:		4,950	-	4,950	1,870	3,080
Summer School - Instruction:						
Salaries - Teacher	11-422-100-101	14,000	109	14,109	14,109	-
Other Objects	11-422-100-106	7,000	(109)	6,891	5,933	958
Total Summer School - Instruction		21,000	-	21,000	20,042	958
Total - Instruction		8,979,700	(9,467)	8,970,233	8,346,702	623,531
Undistributed Expenditures						
Instruction:						
Tuition to Other LEAs Within State Regular	11-000-100-561	20,000	68,530	88,530	88,506	24
Tuition to Other LEAs Within State Special	11-000-100-562	156,000	110,795	266,795	266,732	63
Tuition to CSSD & Regional Day School	11-000-100-565	672,670	(35,788)	636,882	538,221	98,661
Tuition to Private Schools for Disabled Within the State	11-000-100-566	960,399	(274,569)	685,830	685,829	1
Total Undistributed Expenditures - Instruction		1,809,069	(131,032)	1,678,037	1,579,288	98,749
Attendance and Social Work Services:						
Purchased Technical Services	11-000-211-340	6,750	-	6,750	435	6,315
Total Attendance and Social Work Services		6,750	-	6,750	435	6,315
Health Services:						
Salaries	11-000-213-100	172,141	952	173,093	173,093	-
Purchased Professional & Technical Services	11-000-213-300	10,850	1,236	12,086	8,824	3,262
Supplies and Materials	11-000-213-600	6,900	-	6,900	4,849	2,051
Total Health Services		189,891	2,188	192,079	186,766	5,313
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	453,193	8,144	461,337	429,020	32,317
Purchased Professional - Educational Services	11-000-216-320	166,500	420,779	587,279	488,149	99,130
Supplies and Materials	11-000-216-600	11,585	4,000	15,585	12,962	2,623
Total Other Support Services - Students - Related Services		631,278	432,923	1,064,201	930,131	134,070
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	253,210	-	253,210	252,003	1,207
Salaries of Secretarial & Clerical Assistants	11-000-218-105	31,000	-	31,000	30,888	112
Total Other Support Services - Students - Regular		284,210	-	284,210	282,891	1,319
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	567,331	54,781	622,112	622,986	(874)
Salaries of Secretarial & Clerical Assistants	11-000-219-105	36,686	-	36,686	34,606	2,080
Purchased Professional - Educational Services	11-000-219-320	16,305	2,001	18,306	17,283	1,023
Supplies and Materials	11-000-219-600	8,700	(101)	8,599	8,454	145
Other Objects	11-000-219-800	1,200	-	1,200	853	347
Total Other Support Services - Students - Special Services		630,222	56,681	686,903	684,182	2,721
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	108,000	5,400	113,400	113,400	-
Salaries of Other Professional Staff	11-000-221-104	80,100	4,450	84,550	84,550	-
Total Improvement of Instruction Services		188,100	9,850	197,950	197,950	-
Educational Media Services/School Library:						
Salaries	11-000-222-100	80,812	3,219	84,031	84,029	2
Purchased Professional & Technical Services	11-000-222-300	21,200	(3,219)	17,981	16,729	1,252
Other Purchase Services	11-000-222-500	81,650	(12,000)	69,650	41,084	28,566
Supplies and Materials	11-000-222-600	38,345	(4,698)	33,647	24,330	9,317
Total Educational Media Services/School Library		222,007	(16,698)	205,309	166,172	39,137

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	63,300	(5,100)	58,200	57,490	710
Salaries of Secretarial & Clerical Assistants	11-000-223-105	54,765	(1,635)	53,130	23,579	29,551
Purchased Professional - Educational Services	11-000-223-320	18,580	3,480	22,060	20,520	1,540
Purchased Professional & Technical Services	11-000-223-390	16,713	5,255	21,968	16,745	5,223
Other Purchased Services	11-000-223-500	14,215	(2,582)	11,633	4,204	7,429
Supplies and Materials	11-000-223-600	495	582	1,077	938	139
Other Objects	11-000-223-800	1,932	(150)	1,782	1,145	637
Total Instructional Staff Training Services		170,000	(150)	169,850	124,621	45,229
Support Services General Administration:						
Salaries	11-000-230-100	245,967	(17,325)	228,642	218,666	9,976
Legal Services	11-000-230-331	60,000	(2,180)	57,820	56,706	1,114
Audit Services	11-000-230-332	43,250	18,435	61,685	54,610	7,075
Other Purchased Professional Services	11-000-230-339	5,000	4,204	9,204	3,311	5,893
Purchased Technical Services	11-000-230-340	20,000	8,500	28,500	25,716	2,784
Communications/Telephone	11-000-230-530	89,420	(17,620)	71,800	53,942	17,858
BOE Other Purchased Services	11-000-230-585	11,500	(3,150)	8,350	4,250	4,100
Other Purchased Services (400-500Series)	11-000-230-590	8,250	3,250	11,500	1,349	10,151
General Supplies	11-000-230-610	15,000	10,954	25,954	21,196	4,758
BOE In-House Training/Meeting Supplies	11-000-230-630	8,000	(8,000)	-	-	-
Miscellaneous Expenditures	11-000-230-890	2,850	3,600	6,450	6,400	50
BOE Membership Dues & Fees	11-000-230-895	18,420	-	18,420	13,928	4,492
Total Support Services General Administration		527,657	668	528,325	460,074	68,251
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	311,979	24,339	336,318	323,963	12,355
Salaries of Secretarial & Clerical Assistants	11-000-240-105	202,348	4	202,352	193,933	8,419
Supplies and Materials	11-000-240-600	9,450	(150)	9,300	7,965	1,335
Other Objects	11-000-240-800	5,400	300	5,700	5,120	580
Total Support Services School Administration		529,177	24,493	553,670	530,981	22,689
Central Services:						
Salaries	11-000-251-100	398,861	12,939	411,800	411,800	-
Purchased Professional Services	11-000-251-330	30,000	3,918	33,918	33,918	-
Purchased Professional Services-Public Relations Costs	11-000-251-335	5,000	-	5,000	5,000	-
Other Purchased Services	11-000-251-592	3,250	(3,075)	175	175	-
Supplies and Materials	11-000-251-600	4,100	(2,525)	1,575	1,455	120
Interest for Lease Purchase Agreement	11-000-251-832	2,500	(616)	1,884	-	1,884
Miscellaneous Expenditures	11-000-251-890	3,500	-	3,500	3,190	310
Total Central Services		447,211	10,641	457,852	455,538	2,314
Administration Information Technology:						
Salaries	11-000-252-100	185,188	8,320	193,508	183,369	10,139
Purchased Technical Services	11-000-252-340	53,250	(1,218)	52,032	46,472	5,560
Supplies and Materials	11-000-252-600	37,500	3,680	41,180	19,541	21,639
Total Administration Information Technology		275,938	10,782	286,720	249,382	37,338
Allowable Maintenance for School Facilities:						
Salaries	11-000-261-100	5,000	-	5,000	-	5,000
Cleaning, Repair & Maintenance Services	11-000-261-420	461,450	160,170	621,620	584,292	37,328
General Supplies	11-000-261-610	135,550	(32,480)	103,070	71,477	31,593
Other Objects	11-000-261-800	11,450	-	11,450	718	10,732
Total Allowable Maintenance for School Facilities		613,450	127,690	741,140	656,487	84,653

LUMBERTON TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEARS ENDED JUNE 30, 2023

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	790,291	(55,644)	734,647	718,453	16,194
Purchased Professional & Technical Services	11-000-262-300	23,000	(126)	22,874	13,223	9,651
Cleaning, Repair & Maintenance Services	11-000-262-420	178,035	(7,189)	170,846	146,315	24,531
Rental of Land & Building	11-000-262-441	5,000	-	5,000	4,875	125
Other Purchased Property Services	11-000-262-490	125,000	-	125,000	81,063	43,937
Insurance	11-000-262-520	117,000	-	117,000	104,368	12,632
General Supplies	11-000-262-610	105,000	20,661	125,661	116,307	9,354
Energy (Natural Gas)	11-000-262-621	100,000	240,235	340,235	321,832	18,403
Energy (Electricity)	11-000-262-622	500,000	(50,000)	450,000	225,441	224,559
Energy (Gasoline)	11-000-262-626	7,500	-	7,500	5,050	2,450
Other Objects	11-000-262-800	2,500	-	2,500	1,702	798
Total Other Operation & Maintenance of Plant		1,953,326	147,937	2,101,263	1,738,629	362,634
Care & Upkeep of Grounds:						
Other Purchased Professional Salaries	11-000-263-100	100,144	-	100,144	89,455	10,689
Technical Services	11-000-263-300	6,600	-	6,600	-	6,600
General Supplies	11-000-263-610	25,780	3,165	28,945	25,500	3,445
Total Care & Upkeep of Grounds		132,524	3,165	135,689	114,955	20,734
Student Transportation Services:						
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	60,000	42,981	102,981	102,981	-
Contracted Services (Between Home & School) - Vendors	11-000-270-511	508,155	(155,863)	352,292	163,211	189,081
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	17,050	-	17,050	9,210	7,840
Contracted Services (Between Home & School) - Joint	11-000-270-513	20,800	3,727	24,527	-	24,527
Contracted Services (Special Education Students) - Vendors	11-000-270-514	88,500	(10,981)	77,519	50,435	27,084
Contracted Services (Special Education Students) - Joint	11-000-270-515	31,200	-	31,200	2,513	28,687
Contracted Services (Regular Students) - ESC's	11-000-270-517	100,000	(9,000)	91,000	68,119	22,881
Contracted Services (Special Education Students) - ESC's	11-000-270-518	410,000	9,294	419,294	391,640	27,654
Total Student Transportation Services		1,235,705	(119,842)	1,115,863	788,109	327,754
Unallocated Benefits - Employee Benefits:						
Group Insurance	11-000-291-210	15,000	-	15,000	2,482	12,518
Social Security	11-000-291-220	280,000	-	280,000	264,264	15,736
Other Retirement Contributions- PERS	11-000-291-241	335,000	-	335,000	300,386	34,614
Other Retirement Contributions - Regular	11-000-291-249	20,500	11,307	31,807	30,931	876
Unemployment Compensation	11-000-291-250	20,000	6,742	26,742	26,741	1
Workmen's Compensation	11-000-291-260	100,000	-	100,000	94,884	5,116
Health Benefits	11-000-291-270	3,680,413	(476,495)	3,203,918	2,857,017	346,901
Tuition Reimbursements	11-000-291-280	34,000	-	34,000	5,400	28,600
Other Employee Benefits	11-000-291-290	5,000	-	5,000	2,100	2,900
Unused Vacation Payment to Term/Ret. Staff	11-000-291-299	70,000	-	70,000	47,415	22,585
Total Unallocated Benefits		4,559,913	(458,446)	4,101,467	3,631,620	469,847
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	936,094	(936,094)
Normal Pension Contributions		-	-	-	3,563,388	(3,563,388)
Long Term Disability Insurance		-	-	-	499	(499)
Reimbursed TPAF Social Security		-	-	-	718,379	(718,379)
Total Undistributed Expenditures		14,406,428	100,850	14,507,278	17,996,571	(3,489,293)
Interest Earned on Maintenance Reserve	10-606-000-000	200	-	200	-	200
Total Expenditures - Current Expense		23,386,328	91,383	23,477,711	26,343,273	(2,865,562)

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604-000-000	500	-	500	-	500
Total Increase in Capital Reserve		500	-	500	-	500
Equipment:						
Regular Programs - Instruction:						
Administrative Info Technology	12-000-252-730	25,500	9,123	34,623	21,827	12,796
Required Maintenance	12-000-261-730	-	16,237	16,237	16,237	-
Custodial Services	12-000-262-730	9,300	200	9,500	8,919	581
Care and Upkeep of Grounds	12-000-263-730	-	5,493	5,493	5,493	-
Total Equipment		34,800	31,053	65,853	52,476	13,377
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	13,700	23,763	37,463	28,785	8,678
Other Professional Services	12-000-400-390	45,000	84,237	129,237	78,739	50,498
Construction Services	12-000-400-450	611,300	314,000	925,300	829,716	95,584
Assessment for Debt Service	12-000-400-896	45,789	-	45,789	45,789	-
Total Facilities Acquisition & Construction Services		715,789	422,000	1,137,789	983,029	154,760
Assets Acquired Under Capital Leases (Nonbudgeted):						
Undistributed Expenditures:						
Instructional Equipment		-	-	-	-	-
Total Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	-	-
Total Capital Outlay		751,089	453,053	1,204,142	1,035,505	168,637
Total Expenditures		24,137,417	544,436	24,681,853	27,378,778	(2,696,925)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(3,385,168)	(544,436)	(3,929,604)	(959,066)	2,970,538
Fund Balances, July 1		9,506,026	-	9,506,026	9,506,026	-
Fund Balances, June 30		\$ 6,120,858	\$ (544,436)	\$ 5,576,422	\$ 8,546,960	\$ 2,970,538

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 136,373
Transfer from Capital Reserve	420,000
Cancelled Encumbrances	(11,937)
Total	<u>\$ 544,436</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Reserved Excess Surplus Designated of Subsequent Year's Expenditures	\$ 3,369,092
Maintenance Reserve	327,953
Capital Reserve	545,312
Excess Surplus	2,423,355
Unemployment Compensation	119,785
Assigned Fund Balance:	
Year-End Encumbrances	8,980
Designated for Subsequent Year's Expenditures	1,023,999
Unassigned Fund Balance	<u>728,484</u>
Subtotal	8,546,960
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(419,800)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 8,127,160</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ 66,843	\$ (6,843)	\$ 60,000	\$ 135,201	\$ 75,201
State Sources	2,398,835	-	2,398,835	1,960,890	(437,945)
Federal Sources	2,067,183	19,002	2,086,185	2,099,880	13,695
Total Revenues	4,532,861	12,159	4,545,020	4,195,971	(349,049)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	852,896	233,908	1,086,804	965,894	120,910
Other Salaries	270,828	(243,820)	27,008	202,709	(175,701)
Purchased Educational Services	23,994	1,888	25,882	25,882	-
Tuition	362,656	(1,000)	361,656	340,828	20,828
Travel	17,300	2,850	20,150	64,292	(44,142)
General Supplies	204,992	(3,183)	201,809	146,183	55,626
Other Objects	1,000	-	1,000	909	91
Total Instruction	1,733,666	(9,357)	1,724,309	1,746,697	(22,388)
Support Services:					
Salaries	419,674	21,516	441,190	420,141	21,049
Personal Services - Employee Benefits	645,638	-	645,638	612,820	32,818
Purchased Professional Services	406,233	-	406,233	285,071	121,162
Other Purchased Services	384,819	3,465	388,284	354,341	33,943
Supplies & Materials	349,076	1,750	350,826	220,631	130,195
Other Objects	500	-	500	-	500
Student Activities	-	-	-	83,760	(83,760)
Scholarships	-	-	-	240	(240)
Total Support Services	2,205,940	26,731	2,232,671	1,977,004	255,667
Facilities Acquisition & Construction Services:					
Building Improvements	251,971	-	251,971	216,684	35,287
Instructional Equipment	406,595	(10,502)	396,093	324,988	71,105
Non-Instructional Equipment	58,079	5,287	63,366	62,787	579
Total Facilities & Construction Services	716,645	(5,215)	711,430	604,459	106,971
Total Expenditures	4,656,251	12,159	4,668,410	4,328,160	340,250
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(123,390)	-	(123,390)	(132,189)	(8,799)
Other Financing Sources/(Uses):					
Transfers from Operating Budget - Pre K	123,390	-	123,390	123,390	-
Total Other Financing Sources/(Uses):	123,390	-	123,390	123,390	-
Net Change in Fund Balance	-	-	-	(8,799)	(8,799)
Fund Balance, July 1	-	-	-	70,057	70,057
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 61,258	\$ 61,258

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:

Scholarships	\$ 2,323
Student Activities	58,935
	<u>\$ 61,258</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION - PART II
 BUDGETARY COMPARISON SCHEDULE
 NOTE TO RSI - PART II
 FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 26,419,712	\$ 4,195,971
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	111,876
Current Year	-	(7,905)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	560,027	119,774
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(419,800)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 26,559,939</u>	<u>\$ 4,419,716</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	27,378,778	4,328,160
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	103,971
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 27,378,778</u>	<u>\$ 4,432,131</u>

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.02382%	0.02444%	0.02614%	0.02743%	0.02939%	0.03159%	0.03274%	0.03107%	0.03040%	0.03276%
School District's proportionate share of the net pension liability	\$ 3,594,818	\$ 2,895,185	\$ 4,263,117	\$ 4,941,727	\$ 5,786,813	\$ 7,354,788	\$ 9,697,166	\$ 6,974,000	\$ 5,691,661	\$ 6,261,749
School District's covered payroll	\$ 1,923,069	\$ 1,850,977	\$ 1,753,009	\$ 1,808,602	\$ 1,922,441	\$ 2,092,961	\$ 2,149,630	\$ 2,192,147	\$ 2,144,986	\$ 2,074,797
School District's proportionate share of the net pension liability as a percentage of the covered payroll	186.93%	156.41%	243.19%	273.23%	301.01%	351.41%	451.11%	318.14%	265.35%	301.80%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

LUMBERTON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 300,386	\$ 286,211	\$ 285,983	\$ 266,773	\$ 292,339	\$ 292,693	\$ 290,873	\$ 267,096	\$ 250,611	\$ 246,866
Contributions in relation to the contractually required contribution	(300,386)	(286,211)	(285,983)	(266,773)	(292,339)	(292,693)	(290,873)	(267,096)	(250,611)	(246,866)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 1,923,069	\$ 1,850,977	\$ 1,753,009	\$ 1,808,602	\$ 1,922,441	\$ 2,092,961	\$ 2,149,630	\$ 2,192,147	\$ 2,144,986	\$ 2,074,797
Contributions as a percentage of covered payroll	15.62%	15.46%	16.31%	14.75%	15.21%	13.98%	14.11%	13.53%	12.18%	12.18%

LUMBERTON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)
 LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	43,855,220	42,560,545	61,012,873	59,653,633	62,517,273	69,617,672	80,497,849	59,538,110	52,486,407	50,245,999
School District's covered payroll	\$ 10,684,480	\$ 10,677,988	\$ 9,695,437	\$ 9,797,982	\$ 9,759,042	\$ 10,038,054	\$ 10,278,649	\$ 10,492,779	\$ 10,173,303	\$ 9,457,611
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST SIX FISCAL YEARS***

	2023	2022	2021	2020	2019	2018
Total OPEB Liability Associated with the School District						
Service Cost	\$ 2,284,551	\$ 2,800,232	\$ 1,655,014	\$ 1,739,739	\$ 2,063,213	\$ 2,478,437
Interest Cost	1,389,912	1,591,255	1,579,130	1,943,759	2,125,872	1,828,460
Differences between Expected and Actual Experiences	2,833,709	(12,411,901)	11,590,501	(8,110,977)	(6,092,832)	-
Changes of Benefit Terms	-	(65,290)	-	-	-	-
Changes of Assumptions	(14,069,463)	60,518	12,892,387	656,843	(5,638,656)	(7,386,667)
Contributions: Member	44,167	40,681	37,243	40,086	45,410	49,423
Gross Benefit Payments	(1,376,749)	(1,253,463)	(1,228,725)	(1,352,314)	(1,313,892)	(1,342,184)
Net Change in Total OPEB Liability	(8,893,873)	(9,237,968)	26,525,550	(5,082,864)	(8,810,885)	(4,372,531)
Total OPEB Liability (Beginning)	61,341,190	70,579,158	44,053,608	49,136,472	57,947,357	62,319,888
Total OPEB Liability (Ending)	\$ 52,447,317	\$ 61,341,190	\$ 70,579,158	\$ 44,053,608	\$ 49,136,472	\$ 57,947,357
District's Covered Employee Payroll	\$ 12,607,549	\$ 12,528,965	\$ 11,448,446	\$ 11,606,584	\$ 11,681,483	\$ 11,995,967
District's Net OPEB Liability as a Percentage of Payroll	416%	490%	616%	455%	421%	483%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2022, to 3.54% as of June 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

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E. Special Revenue Fund

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	TITLE I	TITLE II - PART A	I.D.E.A. PART B BASIC	I.D.E.A. PART B PRESCHOOL	PRESCHOOL EDUCATION AID	EQUITY GRANT	LOCAL	STUDENT ACTIVITIES	SCHOLARSHIP ACCOUNTS
Revenues:									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 75,166	\$ 35
State Sources	-	-	-	-	1,960,890	-	-	-	-
Federal Sources	242,501	19,582	330,467	10,361	-	132,855	-	-	-
Total Revenues	242,501	19,582	330,467	10,361	1,960,890	132,855	60,000	75,166	35
Expenditures:									
Instruction:									
Salaries of Teachers	160,000	-	-	-	455,688	67,109	-	-	-
Other Salaries	-	-	-	-	202,709	-	-	-	-
Purchased Educational Services	-	-	-	-	24,310	-	-	-	-
Tuition	-	-	330,467	10,361	-	-	-	-	-
Travel	-	-	-	-	44,176	20,116	-	-	-
Supplies	-	-	-	-	-	44,721	-	-	-
Other Objects	-	-	-	-	-	909	-	-	-
Total Instruction	160,000	-	330,467	10,361	726,883	132,855	-	-	-
Support Services:									
Salaries	825	-	-	-	332,296	-	-	-	-
Employee Benefits	81,676	-	-	-	380,076	-	-	-	-
Other Purchased Professional Services	-	17,597	-	-	241,474	-	-	-	-
Other Purchased Services	-	809	-	-	68,032	-	-	-	-
Supplies	-	1,176	-	-	2,744	-	-	-	-
Student Activities	-	-	-	-	-	-	-	83,760	-
Scholarships	-	-	-	-	-	-	-	-	240
Total Support Services	82,501	19,582	-	-	1,024,622	-	-	83,760	240
Facilities Acquisition & Construction Services:									
Construction and Building Improvements	-	-	-	-	-	-	60,000	-	-
Instructional Equipment	-	-	-	-	324,988	-	-	-	-
Non-Instructional Equipment	-	-	-	-	7,787	-	-	-	-
Total Facilities Services	-	-	-	-	332,775	-	60,000	-	-
Total Expenditures	242,501	19,582	330,467	10,361	2,084,280	132,855	60,000	83,760	240
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	(123,390)	-	-	(8,594)	(205)
Other Financing Sources/(Uses):									
Transfer from Operating Budget - Pre K	-	-	-	-	123,390	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	123,390	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	67,529	2,528
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,935	\$ 2,323

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	ESSEERU	MENTAL HEALTH	ARP ESSER	ACCELERATED LEARNING COACH	SUMMER LEARNING	BEYOND THE SCHOOL DAY	NITSS MENTAL HEALTH	ARP HOMELESS	TOTAL
Revenues:									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,201
State Sources	-	-	-	-	-	-	-	-	1,960,890
Federal Sources	271,365	8,601	866,830	101,196	29,902	1,590	82,630	2,000	2,099,880
Total Revenues	271,365	8,601	866,830	101,196	29,902	1,590	82,630	2,000	4,195,971
Expenditures:									
Instruction:									
Salaries of Teachers	-	-	217,490	48,557	17,050	-	-	-	\$ 965,894
Salaries Aides	-	-	-	-	-	-	-	-	202,709
Purchased Educational Services	-	-	-	-	1,572	-	-	-	25,882
Tuition	-	-	-	-	-	-	-	-	340,828
Travel	-	-	-	-	-	-	-	-	64,292
Supplies	96,939	-	-	-	4,523	-	-	-	146,183
Other Objects	-	-	-	-	-	-	-	-	909
Total Instruction	96,939	-	217,490	48,557	23,145	-	-	-	1,746,697
Support Services:									
Salaries	-	101	-	28,600	1,333	-	56,986	-	420,141
Employee Benefits	-	-	97,871	24,039	1,924	1,590	25,644	-	612,820
Other Purchased Professional Services	-	8,500	17,500	-	-	-	-	-	285,071
Other Purchased Services	-	-	280,000	-	3,500	-	-	2,000	354,341
Supplies	39,742	-	176,969	-	-	-	-	-	220,631
Student Activities	-	-	-	-	-	-	-	-	83,760
Scholarships	-	-	-	-	-	-	-	-	240
Total Support Services	39,742	8,601	572,340	52,639	6,757	1,590	82,630	2,000	1,977,004
Facilities Acquisition & Construction Services:									
Construction and Building Improvements	134,684	-	22,000	-	-	-	-	-	216,684
Instructional Equipment	-	-	-	-	-	-	-	-	324,988
Non-Instructional Equipment	-	-	55,000	-	-	-	-	-	62,787
Total Facilities Services	134,684	-	77,000	-	-	-	-	-	604,459
Total Expenditures	271,365	8,601	866,830	101,196	29,902	1,590	82,630	2,000	4,328,160
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	(132,189)
Other Financing Sources/(Uses):									
Transfer from Operating Budget - Pre K	-	-	-	-	-	-	-	-	123,390
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	123,390
Fund Balance, July 1	-	-	-	-	-	-	-	-	70,087
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,258

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 478,431	\$ 455,688	\$ 22,743
Other Salaries for Instruction	270,018	202,709	67,309
Purchased Professional Services	24,310	24,310	-
Supplies	45,720	44,176	1,544
	818,479	726,883	91,596
Total Instruction			
Support Services:			
Director Salary	50,451	50,451	-
Program Salary	37,282	37,281	1
Teacher Salary	82,395	82,395	-
Clerical Salary	52,728	46,753	5,975
Other Salaries	49,927	46,963	2,964
Parent Liason	31,445	31,445	-
Master Teachers	45,982	37,008	8,974
Employee Benefits	380,076	380,076	-
Other Purchased Professional Services	345,480	241,474	104,006
Other Purchased Services	69,400	68,032	1,368
Supplies	2,750	2,744	6
Miscellaneous	500	-	500
	1,148,416	1,024,622	123,794
Total Support Services			
Facilities Acquisition & Construction Services:			
Non-Instructional Equipment	7,787	7,787	-
Instructional Equipment	396,093	324,988	71,105
	403,880	332,775	71,105
Total Facilities Acquisition & Construction Services			
Total Expenditures			
	\$ 2,370,775	\$ 2,084,280	\$ 286,495

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 2,110,635
Add: Actual Preschool Education Aid Carryover (June 30, 2022)	475,278
Add: Budgeted Transfer from the General Fund 2022-23	123,390
	2,709,303
Total Preschool Education Aid Funds Available for 2022-2023 Budget	2,709,303
Less: 2022-2023 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	(2,370,775)
	338,528
Available & Unbudgeted Preschool Education Aid Funds June 30, 2023	338,528
Add: June 30, 2023 Unexpended Preschool Education Aid	286,495
	625,023
Total Actual Preschool Education Aid Carryover	\$ 625,023
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024	\$ 178,250

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F. Capital Projects Fund

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2023**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		TRANSFER TO DEBT SERVICE FUND	UNEXPENDED BALANCE JUNE 30, 2023
			PRIOR YEARS	CURRENT YEAR		
To undertake the acquisition & installation of solar energy panels at the Ashbrook Elementary School, Florence L. Walther Elementary School, Lumberton Middle School and Bobby's Run Elementary School as well as related work for acquisition and installation of the panels.	8/4/2011	\$ 7,000,000	\$ 6,136,847	\$ -	\$ 788,942	\$ 74,211
2019 Bond Referendum Projects						
Asbrook Elementary School Various Improvements		1,052,147	1,049,492	2,655	-	-
Bobby's Run Elementary School Various Improvements		652,552	652,552	-	-	-
Florence L. Walther Elementary School Various Improvements		746,737	615,274	-	-	131,463
Lumberton Middle School Various Improvements		2,429,564	1,995,748	100,552	-	333,264
Total		\$ 11,881,000	\$ 10,449,913	\$ 103,207	\$ 788,942	\$ 538,938

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Revenues & Other Financing Sources:	
Miscellaneous	\$ 15,921
Total Revenues & Other Sources	<u>15,921</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	\$ 17,516
Construction Services	85,691
Transfer to Debt Service	<u>15,921</u>
Total Expenditures & Other Financing Uses	<u>119,128</u>
Excess/(Deficiency) of Revenues & Other Financing Sources	
Over/(Under) Expenditures & Other Financing Uses	(103,207)
Fund Balances, July 1	<u>642,145</u>
Fund Balances, June 30	<u><u>\$ 538,938</u></u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
LUMBERTON - SOLAR PROJECT
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 7,000,000	\$ -	\$ 7,000,000	\$ 7,000,000
Total Revenues	<u>7,000,000</u>	<u>-</u>	<u>7,000,000</u>	<u>7,000,000</u>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	508,146	-	508,146	508,146
Construction Services	5,624,284	-	5,624,284	6,487,437
Other Objects	4,417	-	4,417	4,417
Total Expenditures	<u>6,136,847</u>	<u>-</u>	<u>6,136,847</u>	<u>7,000,000</u>
Transfer to Debt Service Fund	<u>788,942</u>	<u>-</u>	<u>788,942</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 74,211</u>	<u>\$ -</u>	<u>\$ 74,211</u>	<u>\$ -</u>

Additional Project Information:

DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Date	N/A
Bond Authorization Date	8/4/2010
Bonds Authorization	7,000,000
Bonds Issued	7,000,000
Original Authorized Cost	7,000,000
Additional Authorized Cost	-
Revised Authorized Cost	7,000,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ASHBROOK ELEMENTARY SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 1,052,147	\$ -	\$ 1,052,147	\$ 1,052,147
Total Revenues	1,052,147	-	1,052,147	1,052,147
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	225,389	-	225,389	129,883
Construction Services	817,278	2,655	819,933	822,794
Supplies	1,409	-	1,409	734
Other Objects	5,416	-	5,416	98,736
Total Expenditures & Other Financing Uses	1,049,492	2,655	1,052,147	1,052,147
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 2,655	\$ (2,655)	\$ -	\$ -

Additional Project Information:

Bond Authorization Date	6/29/2019
Bonds Authorization	1,052,147
Bonds Issued	1,052,147
Original Authorized Cost	1,052,147
Additional Authorized Cost	-
Revised Authorized Cost	1,052,147
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	2020-2021
Revised Target Completion Date	N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
BOBBY'S RUN ELEMENTARY SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 652,552	\$ -	\$ 652,552	\$ 652,552
Total Revenues	<u>652,552</u>	<u>-</u>	<u>652,552</u>	<u>652,552</u>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	79,003	-	79,003	69,424
Construction Services	555,633	-	555,633	520,050
Supplies	782	-	782	672
Other Objects	17,134	-	17,134	62,406
Total Expenditures & Other Financing Uses	<u>652,552</u>	<u>-</u>	<u>652,552</u>	<u>652,552</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Bond Authorization Date				6/29/2019
Bonds Authorization				652,552
Bonds Issued				652,552
Original Authorized Cost				652,552
Additional Authorized Cost				-
Revised Authorized Cost				652,552
Percentage Increase Over Original Authorized Cost				0%
Percentage Completion				100%
Original Target Completion Date				2020-2021
Revised Target Completion Date				N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FLORENCE L. WALTHER ELEMENTARY SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 746,737	\$ -	\$ 746,737	\$ 746,737
Total Revenues	746,737	-	746,737	746,737
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	95,723	-	95,723	103,658
Construction Services	517,453	-	517,453	568,469
Supplies	782	-	782	672
Other Objects	1,316	-	1,316	73,938
Total Expenditures & Other Financing Uses	615,274	-	615,274	746,737
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 131,463	\$ -	\$ 131,463	\$ -
Additional Project Information:				
Bond Authorization Date				6/29/2019
Bonds Authorization				746,737
Bonds Issued				746,737
Original Authorized Cost				746,737
Additional Authorized Cost				-
Revised Authorized Cost				746,737
Percentage Increase Over Original Authorized Cost				0%
Percentage Completion				82%
Original Target Completion Date				2020-2021
Revised Target Completion Date				N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
LUMBERTON MIDDLE SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 2,429,564	\$ -	\$ 2,429,564	\$ 2,429,564
Total Revenues	2,429,564	-	2,429,564	2,429,564
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	129,813	17,516	147,329	210,330
Construction Services	1,856,511	83,036	1,939,547	1,966,809
Supplies	783	-	783	672
Other Objects	8,641	-	8,641	251,753
Total Expenditures & Other Financing Uses	1,995,748	100,552	2,096,300	2,429,564
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 433,816	\$ (100,552)	\$ 333,264	\$ -

Additional Project Information:

Bond Authorization Date	6/29/2019
Bonds Authorization	N/A
Bonds Issued	2,429,564
Original Authorized Cost	2,429,564
Additional Authorized Cost	-
Revised Authorized Cost	2,429,564
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	86%
Original Target Completion Date	2020-2021
Revised Target Completion Date	N/A

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G. Proprietary Funds

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING SCHEDULE OF NET POSITION
 AS OF JUNE 30, 2023**

ASSETS	EXTENDED DAY <u>CARE</u>	FOOD SERVICE <u>FUND</u>	<u>TOTAL</u>
Current Assets:			
Cash & Cash Equivalents	\$ 168,094	\$ 139,375	\$ 307,469
Accounts Receivable:			
State	-	625	625
Federal	-	19,194	19,194
Inventories	-	9,869	9,869
Total Current Assets	<u>168,094</u>	<u>169,063</u>	<u>337,157</u>
Noncurrent Assets:			
Equipment	286,124	942,967	1,229,091
Less: Accumulated Depreciation	<u>(227,839)</u>	<u>(582,052)</u>	<u>(809,891)</u>
Total Noncurrent Assets	<u>58,285</u>	<u>360,915</u>	<u>419,200</u>
Total Assets	<u>226,379</u>	<u>529,978</u>	<u>756,357</u>
LIABILITIES			
Current Liabilities:			
Interfund Payable	<u>-</u>	<u>43,173</u>	<u>43,173</u>
Total Current Liabilities	<u>-</u>	<u>43,173</u>	<u>43,173</u>
NET POSITION			
Investment in Capital Assets	58,285	360,915	419,200
Unrestricted	<u>168,094</u>	<u>125,890</u>	<u>293,984</u>
Total Net Position	<u>\$ 226,379</u>	<u>\$ 486,805</u>	<u>\$ 713,184</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 AS OF JUNE 30, 2023**

	<u>EXTENDED DAY CARE</u>	<u>FOOD SERVICE FUND</u>	<u>TOTAL</u>
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 210,803	\$ 210,803
Daily Sales - Nonreimbursable Programs	-	79,974	79,974
Special Functions	-	5,521	5,521
Enrollment Fees	549,753	-	549,753
Miscellaneous	426	848	1,274
	<hr/>		
Total Operating Revenue	550,179	297,146	847,325
<hr/>			
Operating Expenses:			
Salaries	384,395	249,024	633,419
Payroll Taxes & Benefits	34,789	52,201	86,990
Supplies and Materials	4,028	37,684	41,712
Management Fee	-	70,278	70,278
Depreciation	12,253	20,861	33,114
Miscellaneous	30,838	57,582	88,420
Cost of Sales - Reimbursable	-	188,779	188,779
Cost of Sales - Non Reimbursable	-	71,618	71,618
	<hr/>		
Total Operating Expenses	466,303	748,027	1,214,330
<hr/>			
Operating Income/(Loss)	83,876	(450,881)	(367,005)
<hr/>			
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	6,710	6,710
State Reduced School Lunch Program	-	4,540	4,540
State Reduced Breakfast Program	-	1,804	1,804
Federal Sources:			
National School Lunch Program	-	235,608	235,608
National School Breakfast Program	-	65,653	65,653
National School Snack Program	-	1,297	1,297
Supply Chain Assistance Program	-	63,974	63,974
Healthy Hunger Free Kids Act	-	8,349	8,349
Food Distribution Program	-	77,505	77,505
Interest Revenue	1,109	717	1,826
	<hr/>		
Total Nonoperating Revenues/(Expenses)	1,109	466,157	467,266
<hr/>			
Change in Net Position	84,985	15,276	100,261
Total Net Position - Beginning	141,394	471,529	612,923
	<hr/>		
Total Net Position - Ending	\$ 226,379	\$ 486,805	\$ 713,184
	<hr/>		

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2023**

	EXTENDED DAY CARE	FOOD SERVICE FUND	<u>TOTAL</u>
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 550,179	\$ 297,146	\$ 847,325
Payments to Employees	(384,395)	(249,024)	(633,419)
Payment to Employee Benefits	(34,789)	(52,201)	(86,990)
Payments to Suppliers	(47,802)	(425,331)	(473,133)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	83,193	(429,410)	(346,217)
	<hr/>	<hr/>	<hr/>
Cash Flows From Noncapital Financing			
State Sources	-	13,182	13,182
Federal Sources	-	477,422	477,422
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	-	490,604	490,604
	<hr/>	<hr/>	<hr/>
Cash Flows From Investing Activities:			
Purchase of Capital Assets	-	(159,985)	(159,985)
Interest on Investments	1,109	717	1,826
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Investing Activities	1,109	(159,268)	(158,159)
	<hr/>	<hr/>	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	84,302	(98,074)	(13,772)
Cash and Cash Equivalents, July 1	83,792	237,449	321,241
	<hr/>	<hr/>	<hr/>
Cash and Cash Equivalents, June 30	\$ 168,094	\$ 139,375	\$ 307,469
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ 83,876	\$ (450,881)	\$ (367,005)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	12,253	20,861	33,114
(Increase)/Decrease in Inventory	-	1,427	1,427
(Decrease)/Increase in Interfund	(12,936)	-	(12,936)
(Decrease)/Increase in Accounts Payable	-	(817)	(817)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ 83,193	\$ (429,410)	\$ (346,217)
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I. Long-Term Debt

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2023**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES INTEREST</u>		<u>RATE</u>	<u>BALANCE</u>		
			<u>DATE</u>	<u>AMOUNT</u>		<u>JULY 1, 2022</u>	<u>JUNE 30, 2023</u>	
2019 School Bonds	7/18/2019	4,881,000	7/15/23	410,000	2.000%	\$ 4,160,000	\$ 400,000	
			7/15/24	415,000	2.125%	-	-	
			7/15/25	445,000	2.125%			
			7/15/26	605,000	2.125%			
			7/15/27	615,000	2.125%			
			7/15/28	630,000	2.125%			
			7/15/29	640,000	2.250%			
2021 Refund School Bonds	2/25/2021	2,555,000	2/15/2024	505,000	3.000%	2,080,000	495,000	
			2/15/2025	525,000	3.000%			
			2/15/2026	555,000	4.000%			
Total						\$ 6,240,000	\$ 895,000	\$ 5,345,000

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 685,961	\$ -	\$ 685,961	\$ 685,961	\$ -
State Sources:					
Debt Service Aid Type II	363,885	-	363,885	363,885	-
Total Revenues	<u>1,049,846</u>	<u>-</u>	<u>1,049,846</u>	<u>1,049,846</u>	<u>-</u>
Expenditures					
Regular Debt Service:					
Interest	157,388	-	157,388	157,388	-
Redemption of Principal	895,000	-	895,000	895,000	-
Total Expenditures	<u>1,052,388</u>	<u>-</u>	<u>1,052,388</u>	<u>1,052,388</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources(Uses)	<u>(2,542)</u>	<u>-</u>	<u>(2,542)</u>	<u>(2,542)</u>	<u>-</u>
Other Financing Sources/(Uses):					
Operating Transfers In/(Out)	-	-	-	15,921	15,921
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,921</u>	<u>15,921</u>
Excess/(Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources/(Uses)	<u>(2,542)</u>	<u>-</u>	<u>(2,542)</u>	<u>13,379</u>	<u>15,921</u>
Fund Balance, July 1	<u>6,675</u>	<u>-</u>	<u>6,675</u>	<u>6,675</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 4,133</u>	<u>\$ -</u>	<u>\$ 4,133</u>	<u>\$ 20,054</u>	<u>\$ 15,921</u>

STATISTICAL SECTION (Unaudited)

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time.

Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 17,950,128	\$ 16,495,323	\$ 16,199,849	\$ 12,951,425	\$ 14,893,680	\$ 13,793,008	\$ 13,799,757	\$ 12,844,641	\$ 12,176,611	\$ 12,792,421
Restricted	7,405,747	8,340,969	8,096,065	9,077,553	5,156,200	4,827,892	4,121,635	3,778,568	3,931,337	5,150,127
Unrestricted	(3,923,717)	(5,081,024)	(7,289,482)	(7,961,809)	(7,677,823)	(8,464,479)	(7,916,034)	(6,686,383)	(6,847,035)	(452,093)
Total Governmental Activities	\$ 21,432,158	\$ 19,755,268	\$ 17,006,432	\$ 14,067,169	\$ 12,372,057	\$ 10,156,421	\$ 10,005,358	\$ 9,936,826	\$ 9,260,913	\$ 17,490,455
Business-Type Activities:										
Investment in Capital Assets	\$ 419,200	\$ 292,329	\$ 268,421	\$ 212,094	\$ 195,341	\$ 186,124	\$ 112,156	\$ 123,556	\$ 79,232	\$ 195,414
Unrestricted	293,984	320,594	251,088	394,494	534,314	515,098	834,967	730,081	753,691	656,660
Total Business-Type Activities	\$ 713,184	\$ 612,923	\$ 519,509	\$ 606,588	\$ 729,655	\$ 701,222	\$ 947,123	\$ 853,637	\$ 832,923	\$ 852,074
District-Wide:										
Net Investment in Capital Assets	\$ 18,369,328	\$ 16,787,652	\$ 16,468,270	\$ 13,163,519	\$ 15,089,021	\$ 13,979,132	\$ 13,911,913	\$ 12,968,197	\$ 12,255,843	\$ 12,987,835
Restricted	7,405,747	8,340,969	8,096,065	9,077,553	5,156,200	4,827,892	4,121,635	3,778,568	3,931,337	5,150,127
Unrestricted	(3,629,733)	(4,760,430)	(7,038,394)	(7,567,315)	(7,143,509)	(7,949,381)	(7,081,067)	(5,956,302)	(6,093,344)	204,567
Total District Net Position	\$ 22,145,342	\$ 20,368,191	\$ 17,525,941	\$ 14,673,757	\$ 13,101,712	\$ 10,857,643	\$ 10,952,481	\$ 10,790,463	\$ 10,093,836	\$ 18,342,529

LUMBERTON TOWNSHIP SCHOOL DISTRICT
 CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,516,497	\$ 5,800,536	\$ 5,801,083	\$ 5,895,289	\$ 5,780,706	\$ 6,117,102	\$ 6,146,521	\$ 6,162,092	\$ 6,051,836	\$ 6,056,478
Special Education	4,167,132	3,267,446	3,133,491	2,777,557	2,817,511	2,833,627	3,004,548	3,157,159	3,221,113	3,142,819
Other Special Instruction	158,109	783,695	464,467	535,958	478,450	479,154	476,231	436,729	430,509	417,255
Other Instruction	128,271	135,029	68,546	108,391	107,447	101,545	105,862	110,522	104,256	104,264
Support Services & Undistributed Costs:										
Tuition	1,579,288	939,534	1,354,604	1,044,618	1,050,953	1,114,772	838,921	729,211	541,483	667,811
Health Services	186,766	216,101	214,615	212,047	261,821	254,277	247,904	249,208	247,986	252,321
Student & Instruction Related Services	3,688,365	2,461,740	2,005,509	2,085,014	2,051,330	2,225,081	1,989,227	1,810,057	1,851,245	1,737,838
Educational Media Services/School Library	166,172	156,375	124,028	222,368	268,562	249,332	301,528	239,574	280,741	227,599
School Administrative Services	530,981	568,848	532,492	534,210	636,360	728,300	704,436	898,050	967,348	975,756
Other Administrative Services	1,164,994	1,305,831	1,230,695	1,207,564	1,313,355	1,254,580	1,217,127	1,201,506	1,440,016	1,232,478
Plant Operations & Maintenance	2,510,071	2,123,745	2,271,292	1,980,855	2,343,913	1,909,748	1,961,728	2,147,694	1,896,008	1,806,854
Pupil Transportation	788,109	833,563	803,030	782,211	863,521	1,047,922	968,116	1,013,986	1,020,021	891,983
Employee Benefits	5,929,086	7,207,871	10,795,661	9,165,937	10,383,447	13,460,961	7,665,974	9,455,693	8,082,560	5,564,069
Transfers to Charter Schools			298,172	249,271	177,994	214,670	250,266	285,699	472,209	472,077
Interest & Other Charges			-	-	-	-	-	-	73,990	-
Reduction of Capital Leases			-	-	-	-	-	-	-	13,348
Amortization of Debt Costs			-	-	-	-	-	-	-	-
Increase in Compensated Absences - Unallocated			-	-	-	-	-	-	-	37,091
Reduction in Fixed Assets			-	-	-	-	-	-	-	-
Unallocated			-	-	-	-	-	-	2,905,087	167,641
Unallocated Depreciation	1,185,107	1,161,075	1,150,764	1,223,498	1,296,964	1,293,441	1,319,105	1,320,464	1,317,145	1,020,858
Total Governmental Activities Expenses	27,845,360	27,149,666	30,248,449	28,204,788	29,832,334	33,284,512	27,217,494	29,217,644	30,639,867	24,824,740
Business-Type Activities:										
Food Service	748,027	820,030	561,331	557,527	532,124	575,076	479,717	484,972	502,815	477,165
Extended Day Care	466,303	439,343	277,797	405,850	362,132	695,479	426,504	414,856	425,550	406,180
Total Business-Type Activities Expense	1,214,330	1,259,373	839,128	963,377	894,256	1,270,555	906,221	899,828	928,365	883,345
Total District Expenses	\$ 29,059,690	\$ 28,409,039	\$ 31,087,577	\$ 28,988,165	\$ 30,726,590	\$ 34,555,067	\$ 28,123,715	\$ 30,117,472	\$ 31,568,232	\$ 25,708,085

LUMBERTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30										
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 7,039,703	\$ 6,130,914	\$ 8,541,675	\$ 5,574,027	\$ 7,025,671	\$ 9,622,852	\$ 3,413,890	\$ 5,962,745	\$ 4,948,577	\$ 626,525
Charges for Services	75,201	50,292	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 7,114,904	\$ 6,181,206	\$ 8,541,675	\$ 5,574,027	\$ 7,025,671	\$ 9,622,852	\$ 3,413,890	\$ 5,962,745	\$ 4,948,577	\$ 626,525
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	297,146	61,784	2,796	207,736	292,085	311,955	315,611	299,214	305,520	326,640
Extended Day Care	550,179	442,495	72,985	303,048	362,264	406,451	453,901	409,110	479,302	478,293
Operating Grants & Contributions	465,440	848,450	632,384	327,831	234,509	224,615	229,420	212,198	231,296	180,041
Adjustment to Fixed Assets	-	-	43,613	-	-	80,015	-	-	(107,501)	-
Total Business Type Activities	\$ 1,312,765	\$ 1,352,729	\$ 751,778	\$ 838,615	\$ 888,858	\$ 1,023,036	\$ 998,932	\$ 920,522	\$ 908,617	\$ 984,974
Program Revenues	\$ 8,427,669	\$ 7,533,935	\$ 9,293,453	\$ 6,412,642	\$ 7,914,529	\$ 10,645,888	\$ 4,412,822	\$ 6,883,267	\$ 5,857,194	\$ 1,611,499
Total District Program Revenues	\$ 15,167,584	\$ 14,870,821	\$ 14,651,051	\$ 14,258,226	\$ 14,075,765	\$ 13,799,770	\$ 13,305,006	\$ 12,856,287	\$ 12,338,726	\$ 12,096,791
Net/(Expense)/Revenue:										
Governmental Activities	\$ 685,961	\$ 680,468	\$ 694,564	\$ 957,463	\$ 837,556	\$ 887,854	\$ 904,126	\$ 1,310,472	\$ 1,488,731	\$ 2,043,080
Business-Type Activities	\$ 5,710,682	\$ 7,148,495	\$ 7,674,233	\$ 8,439,471	\$ 8,807,420	\$ 8,928,049	\$ 8,889,736	\$ 8,996,152	\$ 9,226,856	\$ 10,986,413
Total District-Wide Net Expense	\$ 843,119	\$ 951,495	\$ 245,675	\$ 361,087	\$ 474,124	\$ 279,787	\$ 515,270	\$ 616,257	\$ 429,572	\$ 289,231
Special Items	-	-	-	-	-	(199,706)	116,182	-	81,182	-
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 15,167,584	\$ 14,870,821	\$ 14,651,051	\$ 14,258,226	\$ 14,075,765	\$ 13,799,770	\$ 13,305,006	\$ 12,856,287	\$ 12,338,726	\$ 12,096,791
Taxes Levied for Debt Service	685,961	680,468	694,564	957,463	837,556	887,854	904,126	1,310,472	1,488,731	2,043,080
Unrestricted/Restricted Grants & Contributions	5,710,682	7,148,495	7,674,233	8,439,471	8,807,420	8,928,049	8,889,736	8,996,152	9,226,856	10,986,413
Investment Earnings	-	-	89,082	29,626	246,033	116,969	141,816	94,030	113,187	80,659
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Unallocated Amortization	-	-	-	-	-	-	-	-	-	-
Reduction in Compensated Absences	-	-	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	(199,706)	116,182	-	81,182	-
Total Governmental Activities	\$ 22,407,346	\$ 23,717,296	\$ 23,354,605	\$ 24,145,873	\$ 24,440,898	\$ 23,812,723	\$ 23,872,136	\$ 23,930,812	\$ 23,723,497	\$ 25,496,174
Business-Type Activities:										
Investment Earnings	\$ 1,826	\$ 58	\$ 271	\$ 1,695	\$ 1,553	\$ 1,618	\$ 775	\$ 20	\$ 597	\$ 323
Total Business-Type Activities	\$ 1,826	\$ 58	\$ 271	\$ 1,695	\$ 1,553	\$ 1,618	\$ 775	\$ 20	\$ 597	\$ 323
Total District-Wide	\$ 22,409,172	\$ 23,717,354	\$ 23,354,876	\$ 24,147,568	\$ 24,442,451	\$ 23,814,341	\$ 23,872,911	\$ 23,930,832	\$ 23,724,094	\$ 25,496,497
Change in Net Position:										
Governmental Activities	\$ 1,676,890	\$ 2,748,836	\$ 1,647,831	\$ 1,695,122	\$ 1,634,235	\$ 1,510,663	\$ 68,532	\$ 675,913	\$ (1,967,793)	\$ 1,297,959
Business-Type Activities	\$ 100,261	\$ 93,414	\$ (87,079)	\$ (123,067)	\$ (3,845)	\$ (245,901)	\$ 93,486	\$ 20,714	\$ (19,151)	\$ 101,952
Total District	\$ 1,777,151	\$ 2,842,250	\$ 1,560,752	\$ 1,572,045	\$ 1,630,390	\$ (94,838)	\$ 162,018	\$ 696,627	\$ (1,986,944)	\$ 1,399,911

LUMBERTON TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES AND GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 6,785,497	\$ 7,622,092	\$ 7,378,581	\$ 8,151,536	\$ 6,356,279	\$ 4,703,679	\$ 3,931,877	\$ 3,468,439	\$ 3,251,557	\$ 4,689,059
Committed	-	465,987	-	-	-	-	-	-	-	-
Assigned	1,032,979	341,354	341,354	111,554	634,957	481,168	918,454	472,999	370,526	-
Unassigned	308,684	857,920	507,925	(115,527)	(284,133)	(191,873)	(261,230)	-	-	(225,561)
Total General Fund	\$ 8,127,160	\$ 8,945,999	\$ 8,227,860	\$ 8,147,563	\$ 6,707,103	\$ 4,992,974	\$ 4,589,101	\$ 3,941,438	\$ 3,622,083	\$ 4,463,498
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	-	-	-	-	390,786
Restricted, Reported in:										
Special Revenue Fund	61,258	(48,717)	32,336	-	-	-	-	353,194	772,605	-
Capital Projects Fund	538,938	642,145	663,313	918,010	(1,200,081)	139,211	204,211	-	-	210,888
Debt Service Fund	20,054	6,675	10,548	8,007	2	50,002	50,547	50,547	1	2
Total All Other Governmental Funds	\$ 620,250	\$ 599,103	\$ 706,197	\$ 926,017	\$ (1,200,079)	\$ 189,213	\$ 254,758	\$ 403,741	\$ 772,606	\$ 601,676

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Local Tax Levy	\$ 15,853,545	\$ 15,551,289	\$ 15,345,615	\$ 15,315,689	\$ 14,913,321	\$ 14,687,624	\$ 14,209,132	\$ 14,166,759	\$ 13,827,457	\$ 14,139,871
Tuition	-	66,317	89,082	29,626	246,033	116,969	141,816	94,030	113,187	80,659
Miscellaneous	978,320	1,001,787	256,871	361,087	474,124	279,787	515,270	616,257	429,572	289,231
State Sources	12,976,301	13,014,938	11,930,992	11,927,699	12,281,216	12,030,179	11,694,344	11,456,100	11,229,830	10,966,009
Federal Sources	2,237,256	1,000,524	899,271	565,696	604,841	611,325	609,282	686,738	630,619	646,929
Total Revenue	32,045,422	30,634,855	28,521,831	28,199,797	28,519,535	27,725,884	27,169,844	27,019,884	26,230,665	26,122,699
Expenditures:										
Instruction	9,970,009	9,986,706	9,467,587	9,317,195	9,184,114	9,531,428	9,733,162	9,866,502	9,807,714	9,720,816
Undistributed Instruction	20,077,546	17,741,776	16,390,787	15,782,164	16,171,607	16,140,376	15,175,449	14,657,652	13,740,688	13,356,709
Capital Outlay	1,697,382	1,197,331	1,809,686	2,863,236	1,295,032	134,388	186,770	533,693	1,258,052	621,910
Debt Service	1,098,177	1,097,997	1,185,380	1,551,646	1,581,945	1,581,364	1,575,783	2,011,547	2,052,744	2,959,181
Total Expenditures	32,843,114	30,023,810	28,853,440	29,514,241	28,194,698	27,387,556	26,671,164	27,069,394	26,859,198	26,658,616
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(797,692)	611,045	(331,609)	(1,314,444)	324,837	338,328	498,680	(49,510)	(628,533)	(535,917)
Other Financing Sources/(Uses):										
Proceeds from Borrowing	-	-	2,803,139	4,881,000	-	-	-	-	-	-
Proceeds from Borrowing Cancellation of Grant Receivable	-	-	(2,725,488)	-	-	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-	-	-	-	(5,638)	-
Transfers to Charter Schools	-	-	-	-	-	-	-	-	(36,314)	175,000
Transfers in	139,311	89,685	2,541	8,006	65,000	65,000	65,000	185,992	-	-
Transfers Out	(139,311)	(89,685)	(2,541)	(8,006)	(65,000)	(65,000)	(65,000)	(185,992)	-	-
Total Other Financing Sources/(Uses)	-	-	77,651	4,881,000	-	-	-	-	(41,952)	138,800
Net Change in Fund Balances	\$ (797,692)	\$ 611,045	\$ (253,958)	\$ 3,566,556	\$ 324,837	\$ 338,328	\$ 498,680	\$ (49,510)	\$ (670,485)	\$ (397,117)
Debt Service as a Percentage of Noncapital Expenditures	3.3%	3.7%	4.1%	5.3%	5.5%	5.8%	5.9%	7.4%	7.6%	11.1%

Source: District records
Note: Noncapital expenditures are total expenditures less capital outlay.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>INTEREST ON INVESTMENTS</u>	<u>MISCELLANEOUS</u>	<u>TUITION</u>	<u>TOTAL</u>
2023	\$ 85,714	\$ 688,283	\$ 53,201	\$ 827,198
2022	7,627	939,736	66,317	1,013,680
2021	20,950	222,184	89,082	332,216
2020	62,237	296,111	24,359	382,707
2019	40,880	433,244	246,033	720,157
2022	4,694	275,093	116,969	396,756
2017	7,097	508,173	141,816	657,086
2016	4,701	611,556	94,030	710,287
2015	6,421	423,151	113,187	542,759
2014	7,907	268,305	80,659	356,871

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2023	\$19,102,800	1,113,126,600	20,982,800	1,606,100	150,801,500	64,337,623	29,233,200	\$ 1,399,190,623	\$1,694,177	\$ 1,400,884,800	1.648	\$ 1,627,533,585
2022	13,471,100	1,111,836,800	20,383,600	1,635,500	136,042,700	64,337,623	29,033,200	1,376,740,523	1,894,498	1,378,635,021	1.646	1,425,787,199
2021	13,471,100	1,113,047,100	20,331,600	1,674,400	135,776,600	64,337,623	29,033,200	1,377,671,623	1,911,531	1,379,583,154	1.636	1,347,024,992
2020	14,047,900	1,116,587,800	20,496,900	1,678,900	133,073,500	64,337,623	29,091,200	1,379,313,823	1,882,105	1,379,313,823	1.614	1,381,195,928
2019	12,351,900	1,115,666,300	19,978,000	1,880,340	131,763,500	64,227,623	29,091,200	1,374,958,863	1,903,184	1,376,862,047	1.581	1,378,869,924
2018	12,629,500	1,114,412,500	20,737,800	1,886,440	132,281,700	65,927,600	29,091,200	1,376,966,740	1,903,184	1,378,869,924	1.545	1,378,869,924
2017	12,824,500	1,119,987,200	19,457,100	1,886,140	132,703,400	65,927,623	29,091,200	1,381,877,163	1,883,508	1,383,760,671	1.491	1,359,561,595
2016	13,099,100	1,126,496,400	19,155,300	1,898,170	132,408,200	66,027,623	29,091,200	1,388,175,993	1,903,008	1,390,079,001	1.442	1,325,005,976
2015	9,972,300	1,130,249,300	19,771,000	1,983,400	132,675,900	65,632,623	29,091,200	1,389,375,723	1,997,273	1,391,372,996	1.417	1,396,504,323
2014	10,798,700	1,153,722,800	20,915,900	1,948,180	134,718,400	64,115,823	29,352,400	1,389,375,723	1,945,138	1,387,430,585	1.389	1,420,703,445

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE	
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	LUMBERTON TOWNSHIP	MUNICIPAL OPEN SPACE		BURLINGTON COUNTY
2023	1.153	0.495	1.648	0.400	0.040	0.415	2.503
2022	1.150	0.496	1.646	0.400	0.010	0.377	2.433
2021	1.127	0.509	1.636	0.350	0.010	0.350	2.346
2020	1.111	0.503	1.614	0.389	0.010	0.351	2.364
2019	1.113	0.468	1.581	0.400	0.010	0.399	2.390
2018	1.082	0.463	1.545	0.405	0.010	0.389	2.349
2017	1.061	0.430	1.491	0.411	0.010	0.398	2.310
2016	1.023	0.419	1.442	0.421	0.010	0.387	2.260
2015	1.019	0.398	1.417	0.416	0.010	0.400	2.243
2014	0.997	0.392	1.389	0.365	0.010	0.378	2.142

Source: Municipal Tax Collector

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2023		
	TAXABLE ASSESSED <u>VALUE</u>	RANK <u>(OPTIONAL)</u>	% OF TOTAL DISTRICT NET ASSESSED <u>VALUE</u>
	CVS New York	\$ 31,950,000	1
The Estaugh	29,812,800	2	2.16%
Whitehall Apartments Association	12,900,000	3	0.94%
BF Saul Holdings LTD Partnership	12,000,000	4	0.87%
Newman Development Group of Hainesport	10,354,400	5	0.75%
Wal-Mart	10,116,600	6	0.73%
Mt. Holly By-Pass LLC	8,814,600	7	0.64%
East Coast Lumberton Apartments, LLC	8,400,000	8	0.61%
Evergreen I Associates, LLC	7,000,000	9	0.51%
100 Mt. Holly By-Pass LLC	6,122,400	10	0.44%
Total	\$ 137,470,800		9.83%

2014		
TAXABLE ASSESSED VALUE	RANK <u>(OPTIONAL)</u>	% OF TOTAL DISTRICT NET ASSESSED VALUE

INFORMATION CURRENTLY UNAVAILABLE

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2023	\$ 15,853,545	\$ 15,853,545	100.00%
2022	15,551,289	15,551,289	100.00%
2021	15,345,615	15,345,615	100.00%
2020	15,315,689	15,315,689	100.00%
2019	14,913,321	14,913,321	100.00%
2018	14,687,624	14,687,624	100.00%
2017	14,209,132	14,209,132	100.00%
2016	14,166,759	14,166,759	100.00%
2015	13,827,457	13,827,457	100.00%
2014	14,139,871	14,139,871	100.00%

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2023	\$ 5,345,000	\$ -	\$ -	\$ 5,345,000	N/A
2022	6,240,000	-	-	6,240,000	N/A
2021	7,115,000	-	-	7,115,000	583.44
2020	8,086,000	-	-	8,086,000	661.32
2019	4,570,000	-	-	4,570,000	374.84
2018	5,890,000	-	-	5,890,000	482.59
2017	7,175,000	36,119	-	7,211,119	590.16
2016	8,420,000	71,482	-	8,491,482	692.79
2015	10,165,000	156,881	-	10,321,881	836.46
2014	11,905,000	240,176	-	12,145,176	978.42

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30.	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2023	\$ 5,345,000	\$ -	\$ 5,345,000	0.38%	N/A
2022	6,240,000	-	6,240,000	0.45%	N/A
2021	7,115,000	-	7,115,000	0.52%	583.44
2020	8,086,000	-	8,086,000	0.59%	661.32
2019	4,570,000	-	4,570,000	0.33%	374.84
2018	5,890,000	-	5,890,000	0.43%	482.59
2017	7,175,000	-	7,175,000	0.52%	587.20
2016	8,420,000	-	8,420,000	0.61%	686.95
2015	10,165,000	-	10,165,000	0.73%	823.74
2014	11,905,000	-	11,905,000	0.86%	959.08

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lumberton Township	\$ 12,264,473	100.00%	\$ 12,264,473
Burlington County	161,356,421	3.063%	4,942,676
Rancocas Valley Regional High School	26,370,000	31.000%	8,174,700
Subtotal, Overlapping Debt			25,381,849
Lumberton Township Board of Education			5,345,000
Total Direct & Overlapping Debt			\$ 30,726,849

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Dollars in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 44,349,381	\$ 42,112,009	\$ 41,651,103	\$ 41,437,747	\$ 41,014,834	\$ 40,699,634	\$ 40,580,720	\$ 40,292,510	\$ 42,134,075	\$ 43,246,946
Total Net Debt Applicable to Limit	5,345,000	6,240,000	7,115,000	8,086,000	4,570,000	5,890,000	7,175,000	8,425,000	11,905,000	14,415,000
Legal Debt Margin	\$ 39,004,381	\$ 35,872,009	\$ 34,536,103	\$ 33,351,747	\$ 36,444,834	\$ 34,809,634	\$ 33,872,510	\$ 33,709,075	\$ 31,341,946	\$ 28,775,454
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.05%	14.82%	17.08%	19.51%	11.14%	14.47%	17.68%	20.00%	27.53%	33.38%

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Valuation Basis	
2022	\$ 1,601,419,708
2021	1,420,865,948
2020	1,412,652,420
	<u>\$ 4,434,938,076</u>

Average Equalized Valuation of Taxable Property \$ 1,478,312,692

Debt Limit (3 % of Average Equalization Value) \$ 44,349,381

Net Bonded School Debt 5,345,000

Legal Debt Margin \$ 39,004,381

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>POPULATION</u>	BURLINGTON COUNTY <u>PER CAPITA INCOME</u>	<u>UNEMPLOYMENT RATE</u>
2023	N/A	N/A	N/A
2022	12,779	N/A	N/A
2021	12,195	46,401	7.70%
2020	12,227	44,399	6.60%
2019	12,192	44,820	3.30%
2018	12,205	34,444	4.00%
2017	12,219	59,659	4.60%
2016	12,257	57,469	5.00%
2015	12,340	56,020	6.50%
2014	12,413	53,489	8.00%

Source: NJ Dept of Labor and Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	<u>2023</u>	<u>2014</u>
	<u>EMPLOYEES</u>	<u>EMPLOYEES</u>
CVS Corporation	1,269	N/A
Lumberton Township School District	196	N/A
Total	<u>1,465</u>	<u>N/A</u>

Source: Burlington County Economic Development

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
INFORMATION CURRENTLY UNAVAILABLE**

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Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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LUMBERTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2023	1,192	\$ 30,047,555	\$ 25,208	-1.09%	121	9.85/1	1,197	1,113	9.92%	92.98%
2022	1,088	27,728,482	25,486	8.91%	117	9.30/1	1,089	1,049	-0.27%	96.33%
2021	1,105	25,858,374	23,401	9.27%	112	9.87/1	1,092	1,052	-7.06%	96.34%
2020	1,172	25,099,359	21,416	4.65%	120	10.33/1	1,175	1,125	-3.85%	95.74%
2019	1,239	25,355,721	20,465	0.44%	114	10.87/1	1,222	1,167	-2.40%	95.50%
2018	1,260	25,671,804	20,374	14.15%	124	10.10/1	1,252	1,197	-7.05%	95.61%
2017	1,355	24,524,154	17,849	13.77%	126	10.75/1	1,347	1,289	-6.83%	95.64%
2016	1,374	23,548,402	15,688	1.50%	122	11.26/1	1,377	1,317	-1.27%	95.94%
2015	1,501	23,077,525	15,457	6.18%	127	11.82/1	1,478	1,418	-2.22%	96.19%
2014	1,493	22,272,350	14,557	13.58%	132	11.31/1	1,497	1,440	-6.70%	96.08%

Sources: District records

Note: Enrollment based on annual October district count.

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools:										
Bobby's Run School:										
Square Feet	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110
Capacity (Students)	415	415	415	415	415	415	415	415	415	415
Enrollment	447	331	327	365	268	290	314	333	336	337
Florence L. Walther School:										
Square Feet	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment	0	0	400	335	239	226	217	256	302	293
Ashbrook School:										
Square Feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300
Capacity (Students)	402	402	402	402	402	402	402	402	402	402
Enrollment	361	320	0	0	217	237	271	271	297	326
Middle School:										
Lumberton Middle School:										
Square Feet	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106
Capacity (Students)	634	634	634	634	634	634	634	634	634	634
Enrollment	384	437	378	476	505	507	532	514	566	537

Number of Schools at June 30, 2023:

Elementary = 2

Middle School = 1

Source: District Facilities Office

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	PROJECT #	FISCAL YEAR ENDING JUNE 30,									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Bobby's Run School	Required Maintenance	\$ 195,206	\$ 171,101	\$ 150,687	\$ 71,588	\$ 109,412	\$ 80,843	\$ 55,318	\$ 49,562	\$ 54,304	\$ 39,750
Lumberton Middle School	Required Maintenance	291,023	255,086	224,652	106,728	51,375	74,664	74,536	72,331	88,710	67,935
Florence L. Walther School	Required Maintenance	-	-	135,485	64,366	35,095	33,560	48,147	38,752	41,350	23,984
Ashbrook School	Required Maintenance	170,258	149,234	131,429	62,439	23,750	28,686	30,943	29,334	25,696	27,045
District-Wide Items	Required Maintenance	-	-	-	-	-	2,556	-	-	2,792	3,356
Total		\$ 656,487	\$ 575,421	\$ 642,253	\$ 305,122	\$ 219,632	\$ 220,309	\$ 189,979	\$ 212,852	\$ 162,070	\$ 192,251

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

Source: District records

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023**

	COVERAGE	DEDUCTIBLE
Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	\$ 250,000	\$ 500
General Liability / Auto Liability	250,000	
Educators Legal Liability	250,000	
Workers Compensation	250,000	
Crime	250,000	500
School Pool For Excess Liability Limits (SPELL)		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	175,000,000	
Crime	250,000	
Workers Compensation	Statutory	
Employers Liability	8,000,000	
General Liability / Auto Liability	19,750,000	
Educators' Legal Liability	19,750,000	
Boiler and Machinery	125,000,000	1,000
Pollution Liability	3,000,000	25,000
Cyber Liability	3,000	25,000
Violent Malicious Acts	1,000,000	10,000
Crisis Protection & Disaster Management	1,000,000	10,000
Selective Insurance Company of America		
Surety - Board Secretary	300,000	

Source: District Records

SINGLE AUDIT SECTION

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Certified Public Accountants & Advisors

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township School District (the "School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 12, 2024.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as described as Finding 2023-001 in the accompanying schedule of findings and questioned costs.

Lumberton Township School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Lumberton Township School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Lumberton Township School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 12, 2024



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Lumberton Township School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School 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 federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements 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 Compliance section of our report.

We are required to be independent of the School District and to meet our 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 School District's compliance with the compliance requirements referred to above.

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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 School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School 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 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's 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 School 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 School 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 Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School 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.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

David McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 12, 2024

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

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE/FOR CLUSTER	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEAR BALANCES	ADJUSTMENTS	BALANCE, JUNE 30, 2023	
												(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
U.S. Department of Health and Human Services													
Passed Through New Jersey Department of Human Services:													
FFCRA/SEMI	93,778	2305NJ5MAP	100-054-5740-211	\$	4,138	1/1/21-12/31/21	\$	4,138	\$	\$	\$	\$	\$
Medical Assistance Program (SEMI)	93,778	2305NJ5MAP	100-054-5740-211		56,922	7/1/22-6/30/23		56,922					
Total Medical Assistance Program (SEMI)							61,060	(61,060)					
Total U.S. Department of Health and Human Services							61,060	(61,060)					
U.S. Department of Treasury													
Passed Through New Jersey Department of Education:													
Covid-19 Coronavirus Relief Fund	21,019	SLT0007	100-034-5120-515	\$	71,659	3/1/20-9/30/22						256	
Total U.S. Department of Treasury												256	
U.S. Department of Agriculture													
Passed Through New Jersey Department of Agriculture:													
Child Nutrition Cluster:													
School Breakfast Program	10,553	231NJ304N1099	100-010-3350-100		65,653	7/1/22-6/30/23		61,133	(65,653)			(4,520)	
School Breakfast Program	10,553	221NJ304N1099	100-010-3350-028		139,510	7/1/21-6/30/22		8,271					
National School Lunch Program - Seamless Summer I	10,555	221NJ304N1099	100-010-3350-098		605,780	7/1/21-6/30/22		35,442					
National School Lunch Program	10,555	231NJ304N1099	100-010-3350-098		235,608	7/1/22-6/30/23		221,413	(235,608)			(14,195)	
National School Lunch Program - Snacks	10,555	231NJ304N1099	100-010-3350-098		1,297	7/1/22-6/30/23		1,229	(1,297)			(68)	
National School Lunch Program - Snacks	10,555	221NJ304N1099	100-010-3350-098		7,588	7/1/21-6/30/22		517					
Healthy Hunger-Free Kids Act	10,555	231NJ304N1099	100-010-3350-098		8,349	7/1/22-6/30/23		7,938	(8,349)			(411)	
Supply Chain Assistance Program	10,555	231NJ304N1099	100-010-3350-098		63,974	7/1/21-6/30/22		63,974	(63,974)				
Food Distribution Program (Noncash Assistance)	10,555	231NJ304N1099	Unavailable		77,505	7/1/22-6/30/23		77,505	(77,505)				
Total Child Nutrition Cluster					(35,959)		408,018	(386,733)				(14,674)	
Total U.S. Department of Agriculture					(44,230)		477,422	(452,386)				(19,194)	
Total U.S. Department of Agriculture					(44,230)		477,422	(452,386)				(19,194)	
U.S. Department of Education													
Passed Through New Jersey Department of Education:													
L.D.E.A. Part B (Special Education Cluster)													
Basic	84,027	H027A220100	100-034-5065-016		331,352	7/1/22-9/30/23		264,003	(330,467)			(66,464)	
Basic	84,027	H027A220100	100-034-5065-016		320,190	7/1/21-9/30/22		26,736					
AKP Basic	84,027X	H027X100100	100-034-5065-094		52,227	7/1/21-9/30/22							
Preschool	84,173	H173A220114	100-034-5065-020		30,304	7/1/22-9/30/23			(10,361)			(10,361)	
Total Special Education Cluster					(35,429)		299,432	(340,828)				(76,825)	
Title I - Part A	84,010	S010A210030	100-034-5064-194		248,147	7/1/22-9/30/23		13,580	(242,501)			(228,921)	
Title I - Part A	84,010	S010A210030	100-034-5064-194		239,892	7/1/21-9/30/22		98,745					
Title II - Part A, Supporting Effective Instruction	84,367	S367A210029	100-034-5063-290		36,953	7/1/22-9/30/23		16,534	(19,582)			(3,048)	
Title III - English Language Acquisition	84,365	S365A210030	100-034-5063-290		938	7/1/21-9/30/22		(489)				(489)	
Title IV - ESSA	84,424	S424210031	100-034-5063-348		10,856	7/1/21-9/30/22		19,201					
COVID-19 Coronavirus Response & Relief/Suppl. Appr. Act					10,856		19,201						30,057
Elementary & Secondary School Emerg. Relief - ESSER	84,425D	S425D210027	100-034-5120-518		487,492	3/1/20-9/30/23		130,379	(271,365)			(39,060)	
Learning Acceleration	84,425D	S425D210027	100-034-5120-518		31,285	3/1/20-9/30/23		5,060					
Mental Health	84,425D	S425D210027	100-034-5120-518		45,000	3/1/20-9/30/23		13,329	(8,601)			(6,548)	
Total Coronavirus Response & Relief/Suppl. Appr. Act					86,600		147,758	(279,966)				(45,608)	
COVID-19 American Rescue Plan Consolidated:													
ESSER III	84,425U	S425U210027	100-034-5120-523		1,095,608	3/1/20-9/30/24		740,567	(866,830)			(126,263)	
Accelerated Learning Coach & Educator Support	84,425U	S425U210027	100-034-5120-523		101,196	3/1/20-9/30/24		66,186	(101,196)			(35,010)	
Evidenced Based Summer Learning & Enrichment	84,425U	S425U210027	100-034-5120-523		40,000	3/1/20-9/30/24		27,978	(29,902)			(1,924)	
Evidenced Based Comprehensive Beyond the School	84,425U	S425D210027	100-034-5120-523		40,000	3/1/20-9/30/24			(1,590)			(1,590)	
NJFSS Mental Health Support Staffing	84,425U	S425D210027	100-034-5120-523		88,501	3/1/20-9/30/24		49,242	(82,630)			(33,388)	
Homeless	84,425W	S425D210027	100-034-5064-233		2,000	3/1/20-9/30/24		2,000	(2,000)				
Total American Rescue Plan Consolidated					885,973		1,084,148					(198,175)	
Total Education Stabilization Funds					86,600		1,033,731	(1,364,114)				(243,783)	
Safe and Drug-Free Schools and Communities	84,184	S184C200252	100-034-5120-513		132,855	10/1/21-9/30/23		118,550	(132,855)			(71,169)	
					(56,864)		118,550					(71,169)	

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

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEAR BALANCES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	UNEARNED REVENUE
Total U.S. Department of Education						(94,071)	1,599,773	(2,099,880)	-	-	-	(62,423)	-	30,057
Total Expenditures of Federal Awards						\$ (138,045)	\$ 2,138,255	\$ (2,613,326)	\$ -	\$ -	\$ -	\$ (643,429)	\$ 256	\$ 30,057

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

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

GRANT OR PROJECT NUMBER	STATE GRANTOR/PROGRAM TITLE OR CLUSTER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENT	MEMO	
										BALANCE, JUNE 30, 2023	CUMULATIVE TOTAL
										BUDGETARY RECEIVABLE	EXPENDITURES
New Jersey Department of Education:											
General Fund:											
495-034-5120-078	State Aid Public:	\$ 3,699,051	7/1/22-6/30/23	\$ -	\$ -	\$ 3,699,051	\$ (3,699,051)	\$ -	\$ -	\$ -	\$ 3,699,051
495-034-5120-084	Equalization Aid	176,844	7/1/22-6/30/23	-	-	176,844	(176,844)	-	-	15,287	176,844
495-034-5120-089	Special Education Categorical Aid	906,745	7/1/22-6/30/23	-	-	906,745	(906,745)	-	-	78,380	906,745
	Total State Aid Public					4,782,640	(4,782,640)			413,417	4,782,640
495-034-5120-014	Transportation Aid	73,845	7/1/22-6/30/23	-	-	73,845	(73,845)	-	-	6,383	73,845
495-034-5120-014	Supplemental Stabilization Aid	88,800	7/1/22-6/30/23	-	-	88,800	(88,800)	-	-	-	88,800
495-034-5120-014	Additional Nonpublic School Transportation Aid	34,142	7/1/21-6/30/23	-	-	-	(34,142)	-	-	-	34,142
495-034-5120-014	Additional Nonpublic School Transportation Aid	30,430	7/1/21-6/30/22	(30,430)	-	-	-	-	-	-	-
495-034-5120-044	Extraordinary Aid	162,333	7/1/21-6/30/23	-	-	30,430	(162,333)	-	-	-	162,333
495-034-5120-044	Extraordinary Aid	211,014	7/1/21-6/30/22	(211,014)	-	-	-	-	-	-	-
495-034-5094-003	Reimbursed TPAF Social Security Contributions	718,379	7/1/21-6/30/23	-	-	653,882	(718,379)	-	-	(64,497)	718,379
495-034-5094-003	Reimbursed TPAF Social Security Contributions	720,011	7/1/21-6/30/22	(34,237)	-	34,237	-	-	-	-	-
495-034-5120-128	Maintenance of Eligibility Aid (MOEA)	301,892	7/1/21-6/30/22	(301,892)	-	301,892	-	-	-	-	-
	Securing Our Children's Future Bond Act	65,503	7/1/21-6/30/23	-	-	3,750	(3,750)	-	-	-	3,750
	TPAF - Post Retirement										
495-034-5094-001	Medical (Noncash Assistance)	936,094	7/1/21-6/30/23	-	-	936,094	(936,094)	-	-	-	936,094
	TPAF - Pension										
495-034-5094-002	Contributions (Noncash Assistance)	3,563,388	7/1/21-6/30/23	-	-	3,563,388	(3,563,388)	-	-	-	3,563,388
	TPAF - Long-Term Disability										
495-034-5094-004	Insurance (Noncash Assistance)	499	7/1/21-6/30/23	-	-	499	(499)	-	-	-	499
	Total General Fund			(577,573)	-	10,680,471	(10,363,870)	-	-	(260,972)	10,363,870
Special Revenue Fund:											
100-034-5120-086	SDA Emergent Needs	28,235	7/1/22-6/30/23	-	-	28,235	-	-	-	-	28,235
495-034-5120-086	Preschool Education Aid	2,110,635	7/1/22-6/30/23	-	-	2,110,635	(1,485,612)	-	-	211,063	1,485,612
495-034-5120-086	Preschool Education Aid	1,197,742	7/1/21-6/30/22	-	-	-	(475,278)	-	-	-	475,278
	Total Special Revenue Fund			475,278	-	2,138,870	(1,960,890)	-	-	211,063	1,960,890
Debt Service Fund:											
495-034-5120-075	Debt Service Aid Type II	363,885	7/1/22-6/30/23	-	-	363,885	(363,885)	-	-	-	363,885
	Total Debt Service Fund			-	-	363,885	(363,885)	-	-	-	363,885
New Jersey Department of Agriculture:											
Enterprise Fund:											
495-010-3350-001	National School Lunch Program	6,710	7/1/22-6/30/23	-	-	6,381	(6,710)	-	-	(329)	6,710
495-010-3350-001	National School Lunch Program	14,194	7/1/21-6/30/22	(753)	-	753	-	-	-	-	-
495-010-3350-002	State Reduced Lunch Program	4,540	7/1/22-6/30/23	-	-	4,347	(4,540)	-	-	(193)	4,540
495-010-3350-002	State Reduced Breakfast Program	1,804	7/1/22-6/30/23	-	-	1,701	(1,804)	-	-	(103)	1,804
	Total Enterprise Fund			(753)	-	13,182	(13,054)	-	-	(625)	13,054
	Total State Financial Assistance			\$ (103,048)	\$ -	\$ 13,196,408	\$ (12,701,699)	\$ -	\$ -	\$ (261,597)	\$ 653,258
State Financial Assistance Programs not subject to Calculation for Major Program Determination:											
	TPAF - Post Retirement										
495-034-5094-001	Medical (Noncash Assistance)	\$ 936,094	7/1/22-6/30/23	-	-	-	-	-	-	-	936,094
	TPAF - Pension										
495-034-5094-002	Contributions (Noncash Assistance)	3,563,388	7/1/22-6/30/23	-	-	-	-	-	-	-	3,563,388
	TPAF - Long-Term Disability										
495-034-5094-004	Insurance (Noncash Assistance)	499	7/1/22-6/30/23	-	-	-	-	-	-	-	499
	Total State Financial Assistance subject to Calculation for Major Program Determination										\$ (8,201,718)

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 1. Basis of Presentation

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 Lumberton Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

Note 3. Relationship to Basic Financial Statements

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$140,227 for the general fund and \$223,745 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 61,060	\$ 10,504,097	\$ 10,565,157
Special Revenue Fund	2,176,196	2,108,319	4,284,515
Debt Service Fund	-	363,885	363,885
Food Service Fund	452,386	13,054	465,440
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 2,689,642</u>	<u>\$ 12,989,355</u>	<u>\$ 15,678,997</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Lumberton Township School District had no loan balances outstanding at June 30, 2023.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

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

2) Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes X no

Identification of major programs:

<u>ALN Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D210027	Education Stablization Funds
84.425U	S425U210027	Education Stablization Funds
84.425W	S425U210027	Education Stablization Funds

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? yes X no

LUMBERTON 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 Financial Assistance

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? _____ yes X no

Internal control over major programs:

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

2) Significant deficiency(ies) identified? _____ yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? _____ yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078
495-034-5120-084
495-034-5120-089

State Aid - Public:

Equalization Aid

Categorical Security Aid

Categorical Special Education Aid

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & 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 basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding No. 2023-001:

Criteria of Specific Requirement:

The maintenance of a general ledger accounting record is required by the State Department of Education. This record summarizes all account balances of the District. It should be reconciled monthly to subsidiary records.

Condition:

The District did not maintain an accurate general ledger that was reconciled monthly to other subsidiary records.

Context:

The general ledger was not reconciled to other District records and as a result material audit adjustments were required.

Cause:

Unknown.

Effect or Potential Effect:

By not maintaining an accurate general ledger, the District risks material misstatements within their records.

Recommendation:

That the District properly maintain a general ledger and reconcile the ledger monthly with other subsidiary records.

Management Response:

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

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

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding 2022-001

Condition: The District did not maintain an accurate general ledger that was reconciled monthly to other subsidiary records.

Current Status: The condition has not been corrected, see Finding 2023-001.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.