

**LEBANON TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2024

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



**LEBANON TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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Lebanon Township Board of Education

Dr. Harold Abraham, Chief School Administrator
70 Bunnvale Road, Califon, NJ 07830 | (908) 638-4521 | www.lebtwpk8.org

Empowering People. Dedicated to Learning. Committed to Growth.

November 27, 2024

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

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Lebanon Township School District for the fiscal year ending June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present, fairly, the financial position and results of the operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels preschool to twelve as well as special education. The District completed the 2023-2024 fiscal year with an average daily enrollment of 557.80 students, which is a 4.13% decrease from the previous year's enrollment. The following details the change in the student enrollment of the over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	687.5	-5.12%
2015-2016	659.5	-4.07%
2016-2017	624.2	-5.35%
2017-2018	590.5	-5.40%
2018-2019	626.5	6.10%
2019-2020	623.8	-0.43%
2020-2021	574.7	-7.87%
2021-2022	586.2	1.99%
2022-2023	581.8	-0.75%
2023-2024	557.8	-4.13

2. ECONOMIC CONDITION AND OUTLOOK

The Lebanon Township area is largely residential. There are relatively few business enterprises on the tax rolls. The Lebanon Township School District is in a sound financial position with reserves sufficient to maintain its facilities and provide a strong educational program for the benefit of all township residents. However, the anticipated continuation of reduction in state aid over the next few years may continue to create financial burdens in order to continue to provide our current educational programs.

3. MAJOR INITIATIVES

The Lebanon Township School District continues to dedicate resources toward providing the best possible education for our students. We have made a commitment to continue to use a balance of responsible assessment programs, current technology, and sound instructional methods. In order to support these initiatives, the district has dedicated resources for professional development activities for staff members. In an effort to ensure that our students are able to compete in an increasingly complex work world, we continue to invest in technology for our classrooms. Our students have access to individual electronic devices as well as classroom-based technology. Investing in hardware and human resources for the teaching of technology will serve our students well as they enter high school and, ultimately, the world of work.

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

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

4. INTERNAL CONTROLS

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

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

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

5. BUDGETARY CONTROLS

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

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

6. ACCOUNTING SYSTEM AND REPORTS

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

7. FINANCIAL INFORMATION AT FISCAL YEAR END

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

8. CASH MANAGEMENT

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

Government Units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

9. RISK MANAGEMENT

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

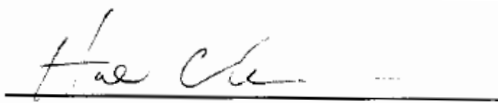
10. OTHER INFORMATION

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

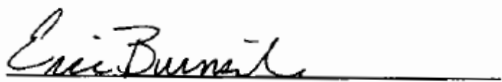
11. ACKNOWLEDGMENTS

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

Respectfully Submitted,

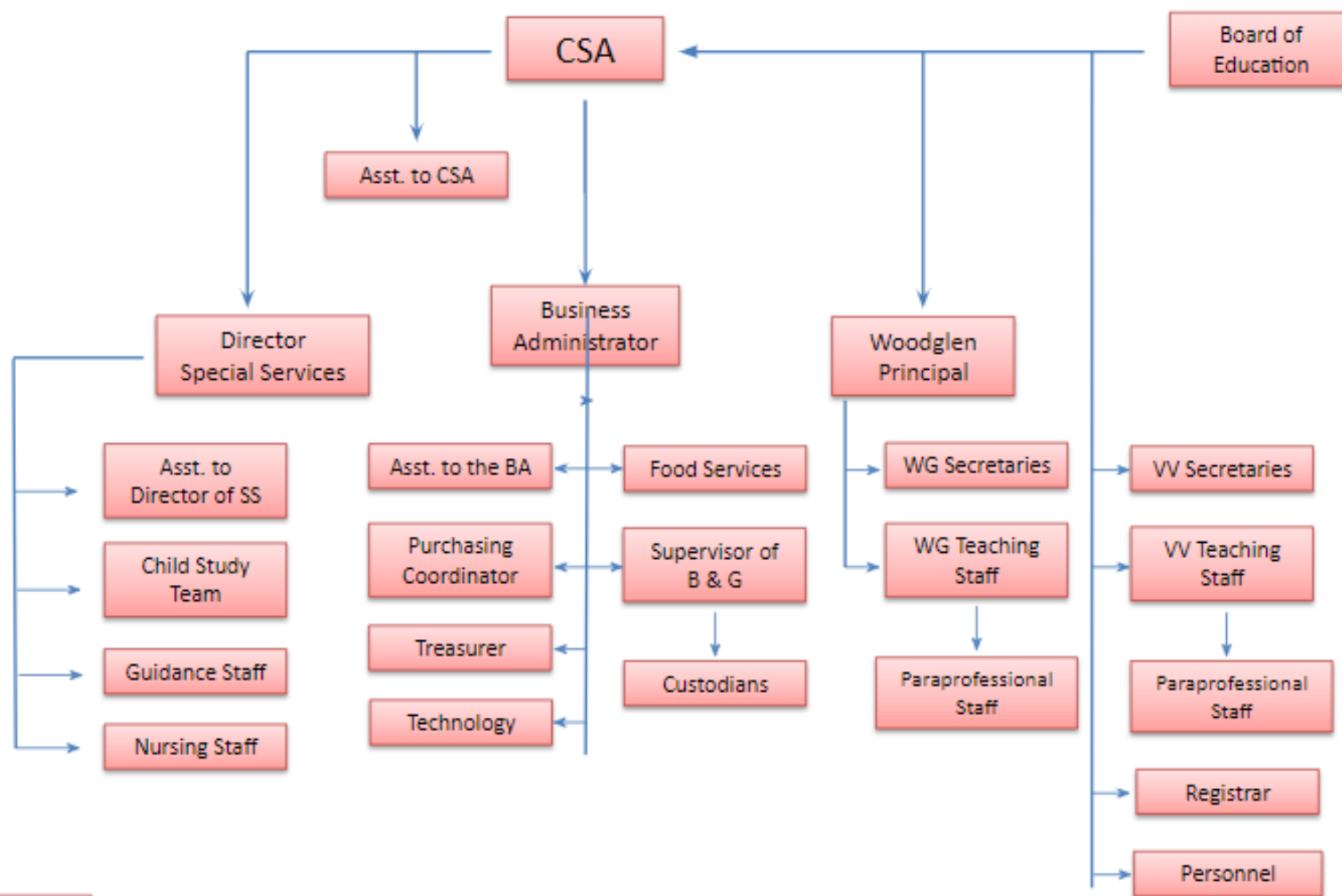


Hal Abraham/Superintendent



Eric Burnside/School Business Administrator/Board Secretary

Lebanon Township School District Organizational Chart



As of 07.2023

LEBANON TOWNSHIP SCHOOL DISTRICT
Roster of Officials
June 30, 2024

Members of the Board of Education	Title	Term Expires
Stephanie Cahill	President	2025
Barton Lagomarsino	Vice President	2024
Michele Korfin		2024
Karen Williams		2024
Erica Balzer		2025
Ben Damiano		2025
Jonathan Olson		2026
Jennifer Ronkiewicz		2026
Justin Tibbets		2026
Elizabeth Monaghan	Hampton Representative	2024

Other Officials	Title
Jason Kornegay	Chief School Administrator (6/1/2023 - 2/29/2024) Interim Chief School Administrator
Elizabeth Nastus	(3/1/2024 - 4/21/2024)
Hal Abraham	Chief School Administrator (4/22/2024 - 6/30/2024)
Kelly Morris	Board Secretary/School Business Administrator
Beverly Vliestra	Interim Board Secretary/School Business Administrator
Joseph Schneider	(6/1/2023 - 6/30/2024) Treasurer

LEBANON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors
June 30, 2024

AUDIT FIRM

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

BOARD ATTORNEY

Comegno Law Group
521 Pleasant Valley Avenue
Moorestown, NJ 08057

OFFICIAL DEPOSITORY

Citizens Bank



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

Independent Auditors' Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lebanon Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Such information is the responsibility of Management and were derived from and relates directly to the underlying accounting and other records used to prepare the Basic Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the Other Information included in the annual report. The Other Information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion on the Basic Financial Statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

November 27, 2024
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of Lebanon Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the Basic Financial Statements and Notes to the Financial Statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position increased \$55,597 which represents a 0.59% increase from fiscal year 2023.
- General revenues accounted for \$17,275,229 in revenue or 92.49% of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,403,089 or 7.51% to total revenues of \$18,678,318.
- The School District had \$18,637,585 in expenses; only \$1,403,089 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$17,275,229 were adequate to provide for these programs.
- Among major funds, the general fund had \$16,832,411 in revenues and \$17,138,323 in expenditures. The general fund's balance decreased \$305,912 from 2023.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2024 compared to June 30, 2023.

Table 1
Net Position

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 6,068,375	\$ 6,352,034	\$ (283,659)	-4.47%
Capital assets	6,322,041	6,243,100	78,941	1.26%
Total assets	<u>12,390,416</u>	<u>12,595,134</u>	<u>(204,718)</u>	-1.63%
Deferred pension activity				
Total deferred outflow of resources	<u>496,706</u>	<u>464,163</u>	<u>32,543</u>	7.01%
Liabilities				
Long-term liabilities	2,576,967	2,500,240	76,727	3.07%
Other liabilities	<u>437,505</u>	<u>381,110</u>	<u>56,395</u>	14.80%
Total liabilities	<u>3,014,472</u>	<u>2,881,350</u>	<u>133,122</u>	4.62%
Deferred pension activity				
Total deferred inflow of resources	<u>358,634</u>	<u>719,528</u>	<u>(360,894)</u>	-50.16%
Net position				
Net investment in capital assets	6,322,041	6,243,100	78,941	1.26%
Restricted	3,484,568	3,599,810	(115,242)	-3.20%
Unrestricted	<u>(292,593)</u>	<u>(384,491)</u>	<u>91,898</u>	23.90%
Total net position	<u>\$ 9,514,016</u>	<u>\$ 9,458,419</u>	<u>\$ 55,597</u>	0.59%

Total assets decreased \$204,718. Cash and cash equivalents increased by \$66,193 receivables and other assets decreased by \$349,852, and capital assets increased by \$78,941. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District, increased by \$91,898.

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

Table 2 shows the changes in net position for fiscal year ended June 30, 2024 compared to June 30, 2023.

Table 2
Changes in Net Position

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Changes for services	\$ 963,777	\$ 844,327	\$ 119,450	14.15%
Operating grants	439,312	510,066	(70,754)	-13.87%
General revenues				
Property taxes	11,422,876	11,108,605	314,271	2.83%
Unrestricted grants	5,768,479	6,498,117	(729,638)	-11.23%
Other	83,874	105,016	(21,142)	-20.13%
Total revenues	18,678,318	19,066,131	(387,813)	-2.03%
Program expenses				
Instruction				
Regular	7,597,488	7,518,992	78,496	1.04%
Special	3,192,960	3,407,848	(214,888)	-6.31%
Other Special	568,992	269,965	299,027	110.77%
Other	91,230	85,732	5,498	6.41%
Support services				
Tuition	71,541	191,070	(119,529)	-62.56%
Student & instructional related services	3,403,418	2,957,176	446,242	15.09%
General & business administration	907,251	909,791	(2,540)	-0.28%
School administration	489,966	500,479	(10,513)	-2.10%
Plant operations & maintenance	1,322,527	1,467,532	(145,005)	-9.88%
Transportation	713,740	597,108	116,632	19.53%
Transfer to charter school	17,222	-	17,222	*
Food service	259,085	240,134	18,951	7.89%
Interest on long term debt	2,165	2,165	-	0.00%
Total expenses	18,637,585	18,147,992	489,593	2.70%
Increase (decrease) before special items	40,733	918,139	(877,406)	-95.56%
Special items				
Donation of equipment	14,864	-	14,864	*
Change in net position	\$ 55,597	\$ 918,139	\$ (862,542)	-93.94%

*Undefined

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 61.92% of revenues for governmental activities for the Lebanon Township School District for fiscal year 2024.

Instruction comprises 61.44% of the District's expenses. Support service expenses and interest on debt make up 38.56% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 show the total cost of services and the net cost of services for 2024 and 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2024 compared to June 30, 2023.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Instruction	\$ 11,450,670	\$ 11,282,537	\$ 10,630,240	\$ 10,439,089
Support services				
Tuition	71,541	191,070	71,541	39,095
Student & instructional staff	3,403,418	2,957,176	3,110,577	2,886,943
General & business administration	907,251	909,791	907,251	909,791
School administration	489,966	500,479	489,966	500,479
Plant operations & maintenance	1,322,527	1,467,532	1,322,527	1,454,306
Pupil transportation	713,740	597,108	652,414	550,991
Transfer to charter school	17,222	-	17,222	-
Food services	259,085	240,134	30,593	10,740
Interest on long-term debt	2,165	2,165	2,165	2,165
Total expenses	<u>\$ 18,637,585</u>	<u>\$ 18,147,992</u>	<u>\$ 17,234,496</u>	<u>\$ 16,793,599</u>

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

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

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

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

The dependence upon tax revenues is apparent. For all activities general revenue support is 92.49%. The community, as a whole, is the primary support or funding source for the Lebanon Township School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$17,231,032 and expenditures of \$17,529,946. The net positive change in fund balance for the year was most significant in the general fund, reflecting an decrease of \$305,912.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2024, the School District amended its general fund budget as needed.

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

For the general fund, budgetary basis revenues and other financing sources were \$13,757,444, \$105,020 over original budgeted estimates of \$13,652,424.

The general fund expenditures of the School District exceeded revenues by \$312,372. The financial position of the School District highlights the dependency on the tax levy as well as the limitations of the 2% cap.

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Capital Assets

At the end of the fiscal year 2024, the School District had \$6,322,041 invested in land, building, furniture and equipment. Table 4 provides a summary of the School District's capital assets net of depreciation for the fiscal year ended June 30, 2024 compared to June 30, 2023.

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

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
Land	\$ 61,672	\$ 61,672	\$ -	0.00%
Construction in progress	284,057	-	284,057	*
Building & improvements	5,641,494	5,908,030	(266,536)	-4.51%
Furniture & equipment	334,818	273,398	61,420	22.47%
	<u>\$ 6,322,041</u>	<u>\$ 6,243,100</u>	<u>\$ 78,941</u>	<u>1.26%</u>

*Undefined

Overall capital assets increased by \$78,941 from fiscal year 2023 to fiscal year 2024. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2024, the School District had \$2,576,967 in long-term liabilities. This amount is detailed in Table 5 below for June 30, 2024 compared to June 30, 2023.

Table 5
Long-term Liabilities

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
Compensated absences liability	\$ 240,625	\$ 226,436	\$ 14,189	6.27%
Net pension liability	2,336,342	2,273,804	62,538	2.75%
	<u>\$ 2,576,967</u>	<u>\$ 2,500,240</u>	<u>\$ 76,727</u>	<u>3.07%</u>

LEBANON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

For the Future

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

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

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

Contacting the School District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,337,340	\$ 58,181	\$ 2,395,521
Due from other funds	-	4,613	4,613
Receivables, net	274,009	3,875	277,884
Inventory	-	5,789	5,789
Restricted assets			
Capital reserve account - cash	2,516,961	-	2,516,961
Emergency reserve - cash	250,000	-	250,000
Maintenance reserve - cash	542,211	-	542,211
Student activities - cash	44,126	-	44,126
Unemployment claims - cash	31,270	-	31,270
Capital assets, net			
Land	61,672	-	61,672
Construction in progress	284,057	-	284,057
Other capital assets, net of depreciation	5,906,734	69,578	5,976,312
Total assets	<u>12,248,380</u>	<u>142,036</u>	<u>12,390,416</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>496,706</u>	<u>-</u>	<u>496,706</u>
Liabilities			
Accounts payable	214,571	13,250	227,821
Due to other funds	4,613	-	4,613
Payroll deductions and withholdings payable	164,018	-	164,018
Unearned revenue	38,016	3,037	41,053
Long-term liabilities			
Due beyond one year	2,576,967	-	2,576,967
Total liabilities	<u>2,998,185</u>	<u>16,287</u>	<u>3,014,472</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>358,634</u>	<u>-</u>	<u>358,634</u>

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 6,252,463	\$ 69,578	\$ 6,322,041
Restricted for			
Capital reserve	2,516,961	-	2,516,961
Emergency reserve	250,000	-	250,000
Maintenance reserve	542,211	-	542,211
Student Activities	44,126	-	44,126
Unemployment claims	131,270	-	131,270
Unrestricted	(348,764)	56,171	(292,593)
Total net position	<u>\$ 9,388,267</u>	<u>\$ 125,749</u>	<u>\$ 9,514,016</u>

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business- Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,807,032	\$ 3,790,456	\$ 714,650	\$ 86,040	\$ -	\$ (6,796,798)	\$ -	\$ (6,796,798)
Special education	1,717,748	1,475,212	-	1,683	-	(3,191,277)	-	(3,191,277)
Other special education	285,006	283,986	-	18,057	-	(550,935)	-	(550,935)
Other instruction	87,628	3,602	-	-	-	(91,230)	-	(91,230)
Support services								
Tuition	71,541	-	-	-	-	(71,541)	-	(71,541)
Students and instruction related services	2,058,116	1,345,302	47,489	245,352	-	(3,110,577)	-	(3,110,577)
General and business administration services	638,446	268,805	-	-	-	(907,251)	-	(907,251)
School administration services	310,476	179,490	-	-	-	(489,966)	-	(489,966)
Plant operations and maintenance	1,125,738	196,789	-	-	-	(1,322,527)	-	(1,322,527)
Pupil transportation	713,740	-	61,326	-	-	(652,414)	-	(652,414)
Transfer to charter school	17,222	-	-	-	-	(17,222)	-	(17,222)
Interest on long-term debt	2,165	-	-	-	-	(2,165)	-	(2,165)
Total governmental activities	<u>10,834,858</u>	<u>7,543,642</u>	<u>823,465</u>	<u>351,132</u>	<u>-</u>	<u>(17,203,903)</u>	<u>-</u>	<u>(17,203,903)</u>
Business-type activities								
Food service	259,085	-	140,312	88,180	-	-	(30,593)	(30,593)
Total business-type activities	<u>259,085</u>	<u>-</u>	<u>140,312</u>	<u>88,180</u>	<u>-</u>	<u>-</u>	<u>(30,593)</u>	<u>(30,593)</u>
Total primary government	<u>\$ 11,093,943</u>	<u>\$ 7,543,642</u>	<u>\$ 963,777</u>	<u>\$ 439,312</u>	<u>\$ -</u>	<u>(17,203,903)</u>	<u>(30,593)</u>	<u>(17,234,496)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						11,422,876	-	11,422,876
Federal and state aid not restricted						5,768,479	-	5,768,479
Investment earnings						81,811	1,328	83,139
Miscellaneous income						735	-	735
Capital donation						14,864	-	14,864
Total general revenues, special items and transfers						<u>17,288,765</u>	<u>1,328</u>	<u>17,290,093</u>
Change in net position						84,862	(29,265)	55,597
Net position - beginning						9,303,405	155,014	9,458,419
Net position - ending						<u>\$ 9,388,267</u>	<u>\$ 125,749</u>	<u>\$ 9,514,016</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,337,340	\$ -	\$ -	\$ -	\$ 2,337,340
Due from other funds	-	4,032	-	-	4,032
Receivables from other governments					
State	135,224	-	-	-	135,224
Federal	-	26,153	-	-	26,153
Other accounts receivable	107,867	4,765	-	-	112,632
Restricted cash and cash equivalents	3,340,442	44,126	-	-	3,384,568
Total assets	\$ 5,920,873	\$ 79,076	\$ -	\$ -	\$ 5,999,949
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 8,645	\$ -	\$ -	\$ -	\$ 8,645
Accounts payable	213,637	934	-	-	214,571
Payroll deductions and withholdings payable	164,018	-	-	-	164,018
Unearned revenue	4,000	34,016	-	-	38,016
Total liabilities	390,300	34,950	-	-	425,250

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2024

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 680,079	\$ -	\$ -	\$ -	\$ 680,079
Excess surplus - current year	535,206	-	-	-	535,206
Capital reserve	2,516,961	-	-	-	2,516,961
Emergency reserve	250,000	-	-	-	250,000
Maintenance reserve	542,211	-	-	-	542,211
Student activities	-	44,126	-	-	44,126
Unemployment claims	131,270	-	-	-	131,270
Committed fund balance					
Year-end encumbrances	112,321	-	-	-	112,321
Assigned fund balance					
Designated for subsequent year's expenditures	509,536	-	-	-	509,536
Unassigned fund balance	252,989	-	-	-	252,989
Total fund balances	<u>5,530,573</u>	<u>44,126</u>	<u>-</u>	<u>-</u>	<u>5,574,699</u>
Total liabilities and fund balances	<u>\$ 5,920,873</u>	<u>\$ 79,076</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in government activities are not financial resources
and therefore are not reported in the funds. The cost of the assets
is \$14,106,493 and the accumulated depreciation is \$7,854,030. 6,252,463

Deferred outflows and inflows of resources related to pensions are
applicable to future periods and, therefore, are not reported in the funds. 138,072

Long-term liabilities, including bonds payable and compensated absences
are not due and payable in the current period and therefore are not reported
as liabilities in the funds. (2,576,967)

Total net position of governmental activities \$ 9,388,267

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 11,422,876	\$ -	\$ -	\$ -	\$ 11,422,876
Transportation fees	61,326	-	-	-	61,326
Tuition					
Individuals	28,750	-	-	-	28,750
Other LEAs	685,900	-	-	-	685,900
Interest on investments	81,811	-	-	-	81,811
Miscellaneous	735	53,259	-	-	53,994
Total local sources	12,281,398	53,259	-	-	12,334,657
Federal sources	-	345,362	-	-	345,362
State sources	4,551,013	-	-	-	4,551,013
Total revenues	16,832,411	398,621	-	-	17,231,032
Expenditures					
Current					
Instructional					
Regular instruction	3,720,992	86,040	-	-	3,807,032
Special education instruction	1,716,065	1,683	-	-	1,717,748
Other special instruction	266,949	18,057	-	-	285,006
Other instruction	87,628	-	-	-	87,628
Support service and undistributed costs					
Tuition	71,541	-	-	-	71,541
Student and instruction related services	1,821,951	236,165	-	-	2,058,116
General and business administrative services	638,446	-	-	-	638,446
School administrative services	310,476	-	-	-	310,476
Plant operations and maintenance	1,125,738	-	-	-	1,125,738
Pupil transportation	713,740	-	-	-	713,740
Unallocated benefits	6,259,788	-	-	-	6,259,788

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 385,622	\$ 49,678	\$ -	\$ -	\$ 435,300
Transfer to charter schools	17,222	-	-	-	17,222
Debt service					
Interest & other charges	2,165	-	-	-	2,165
Total expenditures	<u>17,138,323</u>	<u>391,623</u>	<u>-</u>	<u>-</u>	<u>17,529,946</u>
Excess (deficit) of revenues over (under) expenditures	(305,912)	6,998	-	-	(298,914)
Fund balances, July 1	<u>5,836,485</u>	<u>37,128</u>	<u>-</u>	<u>-</u>	<u>5,873,613</u>
Fund balances, June 30	<u>\$ 5,530,573</u>	<u>\$ 44,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,574,699</u>

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net changes in fund balances - governmental fund (from B-2)	\$	(298,914)
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Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 435,300	
Capital donations	14,864	
Depreciation expense	<u>(383,098)</u>	67,066

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		330,899
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In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		<u>(14,189)</u>
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Change in net position of governmental activities	\$	<u><u>84,862</u></u>
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LEBANON TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2024

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 58,181
Receivables from other governments	
State	173
Federal	2,509
Other accounts receivable	1,193
Interfund receivable	4,613
Inventory	5,789
Total current assets	<u>72,458</u>
Noncurrent assets	
Capital assets	170,260
Less: accumulated depreciation	<u>100,682</u>
Total noncurrent assets	<u>69,578</u>
Total assets	<u>142,036</u>
Liabilities	
Current liabilities	
Unearned revenues - commodities	3,037
Accounts payable	<u>13,250</u>
Total liabilities	<u>16,287</u>
Net position	
Net investment in capital assets	69,578
Unrestricted	<u>56,171</u>
Total net position	<u><u>\$ 125,749</u></u>

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

	Food Service Fund
Operating revenues	
Daily sales - reimbursable programs	\$ 87,934
Daily sales - nonreimbursable programs	52,378
Total operating revenues	<u>140,312</u>
Operating expenses	
Cost of sales - reimbursable programs	58,256
Cost of sales - nonreimbursable programs	23,438
Commodity food costs	29,604
Salaries	95,863
Supports services - employee benefits	9,725
Purchased professional and technical services	1,896
Purchased property services	3,315
Other purchased services	
Insurance	10,371
Management fee	8,680
Supplies and materials	6,080
Depreciation	8,553
Miscellaneous	3,304
Total operating expenses	<u>259,085</u>
Operating income (loss)	<u>(118,773)</u>
Non-operating revenues (expenses)	
State sources	
State school lunch program	2,909
Federal sources	
National school lunch program	
Cash assistance	36,934
Non-cash assistance (commodities)	29,604
P-EBT administrative	653
Supply chain assistance	18,080
Other sources	
Interest Earned on Investments	1,328
Total non-operating revenues (expenses)	<u>89,508</u>
Change in net position	(29,265)
Net position, beginning	<u>155,014</u>
Net position, ending	<u><u>\$ 125,749</u></u>

See accompanying notes to the financial statements.

LEBANON TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024

	Food Service Fund
Cash flows from operating activities	
Receipts from customers	\$ 138,054
Payments to employees	(31,013)
Payments to Food Service Management Company	(176,805)
Payments to vendors (net)	(9,054)
Net cash provided by (used for) operating activities	<u>(78,818)</u>
Cash flows from non-capital financing activities	
State sources	2,911
Federal sources	55,781
Net interfund transactions	(7,303)
Net cash provided by (used for) non-capital financing activities	<u>51,389</u>
Cash flows from capital financing activities	
Acquisition of equipment	(20,428)
Net cash provided by (used for) capital financing activities	<u>(20,428)</u>
Cash flows from investing activities	
Interest Earned on Investments	1,328
Net cash provided by (used for) investing activities	<u>1,328</u>
Net increase (decrease) in cash and cash equivalents	(46,529)
Cash and cash equivalents, beginning	<u>104,710</u>
Cash and cash equivalents, ending	<u><u>\$ 58,181</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating activities	
Operating income (loss)	\$ (118,773)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	8,553
Federal food donation program	29,604
(Increase) decrease in accounts receivable	(1,193)
Increase (decrease) in accounts payable	3,103
(Increase) decrease in inventory	2,226
Increase (decrease) in unearned revenue	(2,338)
Net cash provided by (used for) operating activities	<u><u>\$ (78,818)</u></u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Lebanon Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Basic Financial Statements include:

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

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

A. Reporting entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2024 of 537 students.

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

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Proprietary fund types (continued)

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

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

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

Equipment	12 years
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Fiduciary fund types

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

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board Resolution.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end.

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2023-2024 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at Balance Sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

J. Capital assets

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

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

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

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

K. Compensated absences

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

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

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Use of estimates

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

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

Note 3 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash, and certificates of deposit in banks. As of June 30, 2024, the District had no investments.

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

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

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

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

As of June 30, 2024, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	<u>6,044,314</u>
Total bank balances	<u>\$ 6,294,314</u>

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	<u>Ref.</u>	
Unrestricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	\$ 2,337,340
Enterprise funds, Statement of Net Position	B-4	58,181
Restricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	<u>3,384,568</u>
Total cash and cash equivalents		<u>\$ 5,780,089</u>

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 61,672	\$ -	\$ -	\$ 61,672
Construction in progress	-	284,057	-	284,057
Total	61,672	284,057	-	345,729
Capital assets, being depreciated				
Building & improvements	12,731,625	33,755	-	12,765,380
Furniture & equipment	863,032	132,352	-	995,384
Total	13,594,657	166,107	-	13,760,764
Accumulated depreciation				
Building & improvements	6,823,595	300,291	-	7,123,886
Furniture & equipment	647,337	82,807	-	730,144
Total	7,470,932	383,098	-	7,854,030
Total capital assets, being depreciated, net	6,123,725	(216,991)	-	5,906,734
Governmental activities capital assets, net	\$ 6,185,397	\$ 67,066	\$ -	\$ 6,252,463
Business type activities				
Furniture & equipment	\$ 149,832	\$ 20,428	\$ -	\$ 170,260
Less: accumulated depreciation	92,129	8,553	-	100,682
Business type activities capital assets, net	\$ 57,703	\$ 11,875	\$ -	\$ 69,578

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

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

Instruction	
Regular	\$ 156,494
Special education	70,611
Other special instruction	11,716
Other instruction	3,602
Support services	
Student & instruction	84,602
General & business administration	26,244
School administration	12,763
Plant maintenance	17,066
Total depreciation expense, governmental activities	<u>\$ 383,098</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences payable	\$ 226,436	\$ 14,189	\$ -	\$ 240,625	\$ -
PERS net pension liability	2,273,804	62,538	-	2,336,342	-
Total governmental activities long-term liabilities	<u>\$ 2,500,240</u>	<u>\$ 76,727</u>	<u>\$ -</u>	<u>\$ 2,576,967</u>	<u>\$ -</u>

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

The general obligation bonded debt of the District is limited by state law to 3.0% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2024 is \$ \$32,351,056. General obligation debt at June 30, 2024 is \$0, resulting in a legal debt margin of \$ \$32,351,056.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Empower for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

A. Public Employees' Retirement 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 pension benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

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

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2023 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023 measurement date.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Contributions (continued)

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

The District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 18.45% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Special funding situation (continued)

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2023:

Net pension liability	\$	2,336,342
Proportionate share		0.0161300863%

Plan fiduciary net position as a percentage of the total pension liability	65.23%
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Collective net pension liability and actuarial information

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

Salary increases (based on years of service)	2.75 - 6.55%
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Investment rate of return	7.00%
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Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 2,336,342
At a 1% lower rate (6.00%)	3,067,062
At a 1% higher rate (8.00%)	1,750,865

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,338	\$ 9,550
Changes of assumptions	5,132	141,592
Net difference between projected and actual earnings on pension plan investments	10,759	-
Changes in proportion and differences between District contributions and proportionate share of contributions	242,894	207,492
District contributions subsequent to the measurement date	215,583	-
Total	<u>\$ 496,706</u>	<u>\$ 358,634</u>

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2024, the plan measurement date is June 30, 2023) of \$215,583 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2023 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 16,411	\$ 5,927	\$ 22,338
Changes of assumptions	7,045	(1,913)	5,132
Differences between expected and actual experience	94,111	(83,352)	10,759
Deferred inflows of resources			
Differences between expected and actual experience	(14,472)	4,922	(9,550)
Changes of assumptions	(340,479)	198,887	(141,592)
Differences between projected and actual earnings on pension plan investments	-	-	-
Net changes	<u>\$ (237,384)</u>	<u>\$ 124,471</u>	<u>\$ (112,913)</u>

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

Fiscal Year Ended June 30,

2024	\$ (123,351)
2025	(68,850)
2026	96,213
2027	(17,218)
2028	293
Total	<u>\$ (112,913)</u>

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Pension expense (benefit)

For the year ended June 30, 2024, the District recognized net pension expense (benefit) of (\$110,376), which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$23,549), plus the net amortization of deferred amounts from changes in proportion of (\$66,185), plus the pension expense related to specific liabilities of individual employers of \$4,940 and plus other adjustments to the net pension liability of (\$25,582). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 195,447
Interest on total pension liability	738,098
Benefit changes	-
Member contributions	(157,627)
Administrative expense	3,449
Expected investment return net of investment expense	(435,073)
Pension expense related to specific liabilities of individual employers	(2,905)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	12,741
Changes of assumptions	(356,411)
Difference between projected and actual investment earnings on pension plan investments	(21,268)
Pension expense (benefit)	<u>\$ (23,549)</u>

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

Plan description

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Plan description (continued)

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62, and Tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Special funding situation

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

During the State fiscal year ended June 30, 2023, the State of New Jersey contributed \$2,097,152 to the TPAF for normal pension benefits on behalf of the District.

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2023 measurement date is as follows:

District proportionate share of net pension liability	\$ 39,320,358
Less: State proportionate share of net pension liability	13,634,541
Net pension liability	<u>\$ 25,685,817</u>

Proportionate share	0.0503321062%
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Plan fiduciary net position as a percentage of the total pension liability	34.68%
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LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Actuarial assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 4.25%
Investment rate of return	7.00%

Preretirement 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 25,685,817
At a 1% lower rate (6.00%)	30,288,240
At a 1% higher rate (8.00%)	21,809,484

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense(benefit) related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 685,633
Interest on total pension liability	2,647,972
Benefit changes	-
Member contributions	(468,905)
Administrative expense	6,826
Expected investment return net of investment expense	(856,355)
Pension expense related to specific liabilities of individual employers	(226)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	98,382
Changes of assumptions	(1,532,289)
Difference between projected and actual investment earnings on pension plan investments	49,988
Pension expense(benefit)	<u>\$ 631,026</u>

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,300 in 2024) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended June 30, 2024 was \$0.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

D. Other pension plan information

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$562,453 to the TPAF for postretirement medical benefits, \$23,303 for non-contributory insurance premiums, \$1,002 for long-term disability insurance, and \$2,043,299 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$438,450 during the fiscal year ended June 30, 2024 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

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

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

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

Total OPEB liability

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

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

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2023 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 52,361,668,239
District's proportionate share of the State's OPEB liability	31,475,526
Employer OPEB expense and related revenue	579,154
Allocable proportionate percentage	0.0601117708%

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

	Total OPEB Liability
Total OPEB liability at June 30, 2022	\$ 30,636,427
Service cost	1,052,643
Interest cost	1,108,530
Change of benefit terms	-
Differences between expected and actual experiences	(549,807)
Changes of assumptions	63,442
Member contributions	28,408
Gross benefit payments	(864,117)
Total OPEB liability at June 30, 2023	\$ 31,475,526

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 - June 30, 2021.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

100% of active members are considered to participate in the Plan upon retirement.

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2023 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the total non-employer OPEB liability as of June 30, 2023 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.65%)	\$ 31,475,526
At a 1% lower rate (2.65%)	36,899,651
At a 1% higher rate (4.65%)	27,120,584

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

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

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$ 31,475,526
At a 1% lower rate (1% decrease)	26,129,539
At a 1% higher rate (1% increase)	38,470,763

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$579,154 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

Equitable
 Lincoln Investment Planning
 Lincoln National
 Vanguard Fiduciary Trust Co
 Equitable 457

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2024 consisted of the following:

Food	\$	4,159
Supplies		1,630
Total	<u>\$</u>	<u>5,789</u>

Note 10 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2024 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ -	\$ 8,645
Special revenue fund	4,032	-
Food service fund	4,613	-
	<u>\$ 8,645</u>	<u>\$ 8,645</u>

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 10 - Interfund receivables and payables (continued)

The food service fund had an interfund receivable for \$4,613 due from the general fund for receipts not yet transferred to the food service fund. The general fund had an interfund payable to the special revenue fund of \$4,032 for grant receipts posted to the general fund.

Note 11 - Contingent liabilities

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

Note 12 - Risk management

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

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

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

<u>Fiscal year</u>	<u>Board Contrib.</u>	<u>Interest Earnings</u>	<u>Employee Contrib.</u>	<u>Amount Reimbursed</u>	<u>Ending Balance Available for Claims</u>
2023 - 2024	\$ -	\$ 1,518	\$ 14,322	\$ 54,626	\$ 131,270
2022 - 2023	-	1,623	13,913	31,252	170,056
2021 - 2022	-	295	11,433	10,728	185,772

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 2,600,415	\$ 1,000,000	\$ 24,546	\$ -	\$ 1,108,000	\$ 2,516,961
Emergency	250,000	-	-	-	-	250,000
Maintenance	542,211	75,000	-	-	75,000	542,211
Total	<u>\$ 3,392,626</u>	<u>\$ 1,075,000</u>	<u>\$ 24,546</u>	<u>\$ -</u>	<u>\$ 1,183,000</u>	<u>\$ 3,309,172</u>

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2024 is as follows:

Restricted

Excess surplus - designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 680,079
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	535,206
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	2,516,961
Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	250,000
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	542,211
Unemployment compensation - represents funds accumulated for future unemployment claims.	131,270

Committed

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	112,321
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Assigned

Designated surplus - designated for subsequent year's expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.	509,536
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Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	389,488
Total fund balance - budgetary basis (Exhibit C-1)	5,667,072
Last state aid payments not recognized on GAAP basis	(136,499)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 5,530,573</u>

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$535,206.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2024 of (\$348,764) on Schedule A-1, Statement of Net Position. The deficit balance is not a negative reflection on the District's financial condition but is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 17 - Recent accounting pronouncements not yet effective

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

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

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 18 - Subsequent events

The District has evaluated subsequent events through November 27, 2024, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Revenues					
Local sources					
Local tax levy	\$ 11,422,876	\$ -	\$ 11,422,876	\$ 11,422,876	\$ -
Tuition from individuals	37,500	-	37,500	28,750	(8,750)
Tuition from other LEAs within the state	684,900	-	684,900	685,900	1,000
Tuition from other sources	15,000	-	15,000	-	(15,000)
Transportation fees from other LEAs	36,000	-	36,000	61,326	25,326
Rents and royalties	15,000	-	15,000	190	(14,810)
Unrestricted miscellaneous revenues	62,000	-	62,000	56,292	(5,708)
Interest earned on capital reserve funds	12,000	-	12,000	24,546	12,546
Other restricted miscellaneous revenues	-	-	-	1,518	1,518
Total	12,285,276	-	12,285,276	12,281,398	(3,878)
State sources					
School choice aid	416,672	-	416,672	416,672	-
Categorical transportation aid	320,578	-	320,578	320,578	-
Extraordinary aid	-	-	-	95,703	95,703
Categorical special education aid	448,913	-	448,913	448,913	-
Equalization aid	126,819	-	126,819	126,819	-
Categorical security aid	54,166	-	54,166	54,166	-
Other state aid	-	-	-	13,195	13,195
TPAF Pension (on-behalf)	-	-	-	2,043,299	2,043,299
TPAF Non-contributory insurance	-	-	-	23,303	23,303
TPAF Social Security (reimbursed)	-	-	-	438,450	438,450
TPAF Postretirement benefits	-	-	-	562,453	562,453
TPAF Long-term disability insurance	-	-	-	1,002	1,002
Total	1,367,148	-	1,367,148	4,544,553	3,177,405
Total revenues	\$ 13,652,424	\$ -	\$ 13,652,424	\$ 16,825,951	\$ 3,173,527
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ 74,875	\$ 2,580	\$ 77,455	\$ 77,338	\$ 117
Kindergarten	228,425	1,000	229,425	221,523	7,902
Grades 1-5	1,646,895	35,091	1,681,986	1,581,893	100,093
Grades 6-8	1,494,675	(26,171)	1,468,504	1,449,894	18,610
Home instruction					
Salaries of Teacher	-	3,973	3,973	2,476	1,497
Purchased professional - educational services	5,035	(1,973)	3,062	2,584	478
Regular programs - undistributed instruction					
Other salaries for instruction	44,152	553	44,705	39,705	5,000
Purchased professional - educational services	151,060	(27,982)	123,078	86,272	36,806
Purchased technical services	56,725	3,824	60,549	41,947	18,602
Other purchased services	21,000	213	21,213	19,827	1,386
General supplies	405,893	(91,714)	314,179	197,533	116,646
Textbooks	15,043	(3,400)	11,643	-	11,643
Other objects	350	-	350	-	350
Total	4,144,128	(104,006)	4,040,122	3,720,992	319,130

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Special education					
Learning and/or language disabilities					
Salaries of Teachers	\$ 146,375	\$ 893	\$ 147,268	\$ 86,269	\$ 60,999
Other salaries for instruction	40,215	4,607	44,822	44,821	1
General supplies	3,150	-	3,150	1,631	1,519
Total	189,740	5,500	195,240	132,721	62,519
Resource room/resource center					
Salaries of Teachers	979,705	14,789	994,494	932,905	61,589
Other salaries for instruction	160,883	(8,039)	152,844	104,869	47,975
Purchased professional - educational services	225,000	7,474	232,474	90,892	141,582
General supplies	14,469	30,249	44,718	43,013	1,705
Total	1,380,057	44,473	1,424,530	1,171,679	252,851
Autism					
Salaries of teachers	166,825	19,136	185,961	152,400	33,561
Other salaries for instruction	53,709	40,427	94,136	87,268	6,868
Purchased professional - educational services	24,000	(24,000)	-	-	-
General supplies	7,550	(62)	7,488	856	6,632
Total	252,084	35,501	287,585	240,524	47,061
Preschool disabilities - part-time					
Salaries of Teachers	74,800	-	74,800	74,147	653
Other salaries for instruction	42,902	(37,402)	5,500	5,500	-
Purchased professional-educational services	72,000	36,175	108,175	91,494	16,681
Total	189,702	(1,227)	188,475	171,141	17,334
Total special education	2,011,583	84,247	2,095,830	1,716,065	379,765
Basic skills/remedial					
Salaries of Teachers	162,425	71,150	233,575	223,960	9,615
General supplies	9,200	-	9,200	739	8,461
Total	171,625	71,150	242,775	224,699	18,076
Bilingual education - instruction					
Salaries of teachers	-	42,250	42,250	42,250	-
Total	-	42,250	42,250	42,250	-
School-sponsored co/extra curricular activities - instruction					
Salaries	120,000	34,988	154,988	80,119	74,869
Purchased services	6,000	-	6,000	4,658	1,342
Supplies and materials	5,250	-	5,250	2,466	2,784
Other objects	500	-	500	385	115
Total	131,750	34,988	166,738	87,628	79,110
Total instruction regular	\$ 6,459,086	\$ 128,629	\$ 6,587,715	\$ 5,791,634	\$ 796,081

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to private school for the disabled within state	\$ 89,699	\$ (89,699)	\$ -	\$ -	\$ -
Tuition - other	-	72,477	72,477	71,541	936
Total	89,699	(17,222)	72,477	71,541	936
Undistributed expenditures - attendance and social work					
Salaries	52,962	8,955	61,917	61,917	-
Purchased professional and technical services	17,400	(1,091)	16,309	16,309	-
Total	70,362	7,864	78,226	78,226	-
Undistributed expenditures - health services					
Salaries	171,825	2,815	174,640	168,806	5,834
Purchased professional and technical services	165	-	165	-	165
Supplies and materials	12,861	353	13,214	12,716	498
Total	184,851	3,168	188,019	181,522	6,497
Undistributed expenditures - speech/ot/pt and related services					
Salaries	216,601	9,127	225,728	225,681	47
Purchased professional - educational services	134,095	(11,473)	122,622	113,527	9,095
Supplies and materials	6,650	(3,248)	3,402	2,444	958
Total	357,346	(5,594)	351,752	341,652	10,100
Undistributed expend - other supp. service stds. - extra service					
Salaries	39,152	3,976	43,128	43,128	-
Supplies and materials	-	359	359	359	-
Total	39,152	4,335	43,487	43,487	-
Undistributed expenditures - guidance					
Salaries of other Professional Staff	225,075	4,221	229,296	226,197	3,099
Supplies and materials	900	-	900	403	497
Total	225,975	4,221	230,196	226,600	3,596
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	341,137	70,150	411,287	411,287	-
Salaries of Secretarial and Clerical Assistants	55,840	1,160	57,000	57,000	-
Purchased professional - educational services	19,000	(19,000)	-	-	-
Other purchased professional & technical services	6,105	20,300	26,405	17,686	8,719
Other purchased services	500	2,684	3,184	1,494	1,690
Supplies and materials	6,200	(2,473)	3,727	3,391	336
Other objects	500	1,173	1,673	1,130	543
Total	429,282	73,994	503,276	491,988	11,288
Undistributed expenditures - improvement of inst. service					
Salaries of other Professional Staff	169,666	(67,266)	102,400	77,840	24,560
Salaries of Secretarial and Clerical Assist	53,664	2,336	56,000	56,000	-
Supplies and materials	1,000	55	1,055	1,055	-
Total	224,330	(64,875)	159,455	134,895	24,560
Undistributed expenditures - edu. media service/sch. library					
Salaries	153,650	350	154,000	154,000	-
Purchased professional and technical services	153,000	8,080	161,080	157,080	4,000
Supplies and materials	12,057	926	12,983	12,421	562
Other objects	200	-	200	80	120
Total	318,907	9,356	328,263	323,581	4,682

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	\$ -	\$ 500	\$ 500	\$ -	\$ 500
Other purchased services	200	-	200	-	200
Total	200	500	700	-	700
Undistributed expenditures - support service - general admin.					
Salaries	95,768	6,521	102,289	102,288	1
Legal services	53,253	30,142	83,395	53,394	30,001
Audit fees	18,000	324	18,324	18,324	-
Communications/telephone	25,000	1,022	26,022	25,595	427
Miscellaneous purchased services	27,200	(26)	27,174	21,880	5,294
General supplies	1,000	342	1,342	1,342	-
Judgments against the school district	124,684	(9,440)	115,244	84,399	30,845
Miscellaneous expenditures	300	1,217	1,517	1,517	-
BOE membership dues and fees	7,000	-	7,000	6,592	408
Total	352,205	30,102	382,307	315,331	66,976
Undistributed expenditures - support service - school admin.					
Salaries of Principals/Assistant Principals	163,628	8,700	172,328	172,280	48
Salaries of Secretarial and Clerical Assistants	115,631	33,093	148,724	128,348	20,376
Supplies and materials	10,550	(615)	9,935	8,178	1,757
Other objects	1,345	325	1,670	1,670	-
Total	291,154	41,503	332,657	310,476	22,181
Undistributed expenditures - central services					
Salaries	264,210	7,791	272,001	272,001	-
Purchased technical services	42,953	633	43,586	43,512	74
Miscellaneous purchased services	3,900	(595)	3,305	1,411	1,894
Supplies and materials	5,000	(1,500)	3,500	3,496	4
Other objects	1,600	1,095	2,695	2,695	-
Total	317,663	7,424	325,087	323,115	1,972
Undistributed expenditures - admin. info. technology					
Purchased technical services	12,000	(8,823)	3,177	-	3,177
Total	12,000	(8,823)	3,177	-	3,177
Undistributed expenditures - req. maint. for school facilities					
Salaries	160,566	2,585	163,151	163,151	-
Cleaning, repair, and maintenance services	166,500	19,543	186,043	101,035	85,008
General supplies	8,109	35,002	43,111	34,500	8,611
Other objects	3,000	-	3,000	1,313	1,687
Total	338,175	57,130	395,305	299,999	95,306
Undistributed expenditures - custodial services					
Salaries	319,520	14,240	333,760	333,724	36
Purchased professional and technical services	36,900	(4,680)	32,220	25,727	6,493
Cleaning, repair, and maintenance service	18,000	-	18,000	10,400	7,600
Insurance	53,500	19,807	73,307	69,114	4,193
Miscellaneous purchased services	2,000	-	2,000	-	2,000
General supplies	92,745	(13,560)	79,185	25,417	53,768
Energy (natural gas)	81,535	(22,807)	58,728	11,759	46,969
Energy (electricity)	86,000	23,050	109,050	74,388	34,662
Energy (oil)	140,000	(57,050)	82,950	79,496	3,454
Other objects	500	-	500	290	210
Total	830,700	(41,000)	789,700	630,315	159,385

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Variance
	Original Budget	Budget Transfers	Final Budget	Final to Actual
Undistributed expenditures - care and upkeep of grounds				
Cleaning, repair, and maintenance service	\$ 30,000	\$ (1,153)	\$ 28,847	\$ 2,787
General supplies	11,300	653	11,953	6
Total	41,300	(500)	40,800	2,793
Undistributed expenditures - security				
Purchased professional and technical services	172,000	-	172,000	15,674
Cleaning, repair, and maintenance service	6,000	-	6,000	6,000
General supplies	7,000	-	7,000	5,909
Total	185,000	-	185,000	27,583
Undistributed expenditures - student transportation service				
Salaries of non-instructional aides	15,000	(15,000)	-	-
Salaries for pupil trans. (between home & school) - reg.	-	15,000	15,000	6,235
Management fee - ESC and CTSA trans. program	4,000	(3,259)	741	741
Other purchased professional and technical service	15,000	349	15,349	-
Contract service-aid in lieu pymts. - non-public schools	24,000	7,983	31,983	10,502
Contract serv-aid in lieu pymts-choice school students	5,000	(85)	4,915	255
Contr service (oth. than between home & school) - vend	17,000	(14,090)	2,910	1,376
Contr service (between home & school) - joint agreements	450,000	68,431	518,431	534
Contract service (sp. ed. stds) - vendors	10,000	(950)	9,050	-
Contract service (sp. ed. stds) - joint agreements	30,000	38,030	68,030	24,409
Contract service (spl. ed. students) - ESCs and CTSAs	55,000	36,383	91,383	-
Total	625,000	132,792	757,792	44,052
Unallocated benefits - employee benefits				
Social Security contributions	180,000	(20,530)	159,470	1,535
Other retirement contributions - PERS	220,331	530	220,861	-
Other retirement contributions - regular	1,200	-	1,200	1,200
Unemployment compensation	-	40,304	40,304	-
Workmen's compensation	85,000	32,547	117,547	3,946
Health benefits	2,516,706	(34,818)	2,481,888	4,554
Tuition reimbursement	54,825	-	54,825	18,433
Other employee benefits	172,100	9,633	181,733	86,604
Unused sick payment to terminated/retired staff	57,000	-	57,000	7,275
Total	3,287,162	27,666	3,314,828	123,547
On-behalf TPAF Pension contribution	-	-	-	2,043,299
On-behalf TPAF Non-contributory insurance	-	-	-	23,303
On-behalf TPAF Postretirement medical benefits	-	-	-	562,453
On-behalf TPAF Long-term disability insurance	-	-	-	1,002
Reimbursed TPAF Social Security contribution	-	-	-	438,450
Total	-	-	-	3,068,507
Total undistributed expenditures	\$ 8,220,463	\$ 262,041	\$ 8,482,504	\$ 10,941,680
Total current	\$ 14,679,549	\$ 390,670	\$ 15,070,219	\$ 16,733,314
Capital outlay				
Equipment				
Grades 1-5	\$ -	\$ 22,296	\$ 22,296	\$ 14,864
Grades 6-8	-	18,580	18,580	15,741
Undistributed				
Undistributed expend. - support service - related and extra.	-	8,395	8,395	-
Undistributed expenditures - req. maint. for school facilities	36,485	34,475	70,960	-
Total equipment	36,485	83,746	120,231	109,960

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Facilities acquisition and construction service					
Architectural/engineering services	\$ 33,000	\$ (15,216)	\$ 17,784	\$ 11,355	\$ 6,429
Other purchased professional and technology services	-	44,563	44,563	-	44,563
Construction services	975,000	(609,784)	365,216	264,307	100,909
Land and improvements	100,000	(100,000)	-	-	-
Assessment for debt service on SDA funding	2,165	-	2,165	2,165	-
Total facilities acquisition and construction service	1,110,165	(680,437)	429,728	277,827	151,901
Total capital outlay	\$ 1,146,650	\$ (596,691)	\$ 549,959	\$ 387,787	\$ 162,172
Transfer of funds to charter schools	\$ -	\$ 17,222	\$ 17,222	\$ 17,222	\$ -
Total expenditures	\$ 15,826,199	\$ (188,799)	\$ 15,637,400	\$ 17,138,323	\$ (1,500,923)
Excess (deficiency) of revenues over (under) expenditures	\$ (2,173,775)	\$ 188,799	\$ (1,984,976)	\$ (312,372)	\$ 1,672,604
Fund balances, July 1	5,979,444	-	5,979,444	5,979,444	-
Fund balances, June 30	\$ 3,805,669	\$ 188,799	\$ 3,994,468	\$ 5,667,072	\$ 1,672,604
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (98,528)	\$ -	\$ (98,528)	\$ (98,528)	\$ -
Increase in capital reserve	-	1,000,000	1,000,000	1,000,000	-
Interest deposit to capital reserve	12,000	-	12,000	24,546	12,546
Withdrawal from capital reserve	(1,108,000)	-	(1,108,000)	(1,108,000)	-
Increase in maintenance reserve	-	75,000	75,000	75,000	-
Withdrawal from maintenance reserve	(75,000)	-	(75,000)	(75,000)	-
Interest earned on unemployment compensation	-	-	-	1,518	1,518
Withdrawal from unemployment compensation	(100,000)	59,696	(40,304)	(40,304)	-
Budgeted fund balance	(804,247)	(945,897)	(1,750,144)	(91,604)	1,658,540
Total	\$ (2,173,775)	\$ 188,799	\$ (1,984,976)	\$ (312,372)	\$ 1,672,604
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 680,079	
Excess surplus - current year				535,206	
Capital reserve				2,516,961	
Emergency reserve				250,000	
Maintenance reserve				542,211	
Unemployment compensation				131,270	
Committed fund balance					
Year-end encumbrances				112,321	
Assigned fund balance					
Designated for subsequent year's expenditures				509,536	
Unassigned fund balance				389,488	
Fund balance per budgetary basis				5,667,072	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(136,499)	
Fund balance per governmental funds (GAAP)				\$ 5,530,573	

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources	\$ 56,543	\$ -	\$ 56,543	\$ 53,260	\$ (3,283)
State sources	85,115	-	85,115	-	(85,115)
Federal sources	458,093	894	458,987	341,720	(117,267)
Total revenues	<u>\$ 599,751</u>	<u>\$ 894</u>	<u>\$ 600,645</u>	<u>\$ 394,980</u>	<u>\$ (205,665)</u>
Expenditures					
Instruction					
Salaries	\$ 96,819	\$ 19,359	\$ 116,178	\$ 67,583	\$ 48,595
General supplies	110,326	(60,549)	49,777	34,789	14,988
Other objects	-	1,000	1,000	570	430
Total	<u>207,145</u>	<u>(40,190)</u>	<u>166,955</u>	<u>102,942</u>	<u>64,013</u>
Support services					
Salaries	600	25,000	25,600	6,091	19,509
Purchased professional and technical services	231,389	(39,028)	192,361	160,160	32,201
Other purchased services	1,000	5,434	6,434	6,434	-
Supplies and materials	40,128	-	40,128	22,186	17,942
Student activities	40,491	-	40,491	40,491	-
Total	<u>313,608</u>	<u>(8,594)</u>	<u>305,014</u>	<u>235,362</u>	<u>69,652</u>
Capital outlay					
Instructional equipment	<u>72,000</u>	<u>49,678</u>	<u>121,678</u>	<u>49,678</u>	<u>72,000</u>
Total	<u>72,000</u>	<u>49,678</u>	<u>121,678</u>	<u>49,678</u>	<u>72,000</u>
Total expenditures	<u>\$ 592,753</u>	<u>\$ 894</u>	<u>\$ 593,647</u>	<u>\$ 387,982</u>	<u>\$ 205,665</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 6,998	\$ -	\$ 6,998	\$ 6,998	\$ -
Fund balances, July 1	<u>37,128</u>	<u>-</u>	<u>37,128</u>	<u>37,128</u>	<u>-</u>
Fund balances, June 30	<u>\$ 44,126</u>	<u>\$ -</u>	<u>\$ 44,126</u>	<u>\$ 44,126</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance				\$ 44,126	
Student activities				\$ 44,126	
Fund balance per budgetary basis				<u>\$ 44,126</u>	

See independent auditors' reports.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2024

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

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 16,825,951	\$ 394,980
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
Outstanding encumbrances - prior year	-	19,846
Outstanding encumbrances - prior year cancelled	-	(3,130)
Outstanding encumbrances - current year	-	(13,075)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expenses (GASB 33).		
State aid receivable prior year	142,959	-
State aid receivable current year	(136,499)	-
Total revenues (GAAP basis)	<u>\$ 16,832,411</u>	<u>\$ 398,621</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 17,138,323	\$ 387,982
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	19,846
Outstanding encumbrances - prior year cancelled	-	(3,130)
Outstanding encumbrances - current year	-	(13,075)
Total expenditures (GAAP basis)	<u>\$ 17,138,323</u>	<u>\$ 391,623</u>

See independent auditors' reports.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value			
2015	0.018268023%	\$ 4,100,805	\$ 1,220,679	335.94%	47.93%
2016	0.017988470%	5,327,669	1,283,165	415.20%	40.14%
2017	0.018448214%	4,294,449	1,164,431	368.80%	48.10%
2018	0.016432770%	3,235,531	1,091,178	296.52%	53.60%
2019	0.015494825%	2,791,932	1,136,165	245.73%	56.27%
2020	0.015937572%	2,599,001	1,194,998	217.49%	58.32%
2021	0.016800809%	1,990,308	1,175,159	169.36%	70.33%
2022	0.015066912%	2,273,804	1,155,579	196.77%	62.91%
2023	0.016130086%	2,336,342	1,045,748	223.41%	65.23%
2024	N/A	N/A	1,168,483	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 134,041	\$ (134,041)	\$ -	\$ 1,220,679	10.98%
2016	150,862	(150,862)	-	1,283,165	11.76%
2017	157,056	(157,056)	-	1,164,431	13.49%
2018	160,430	(160,430)	-	1,091,178	14.70%
2019	164,218	(164,218)	-	1,136,165	14.45%
2020	151,136	(151,136)	-	1,194,998	12.65%
2021	175,741	(175,741)	-	1,175,159	14.95%
2022	196,757	(196,757)	-	1,155,579	17.03%
2023	190,001	(190,001)	-	1,045,748	18.17%
2024	215,583	(215,583)	-	1,168,483	18.45%

See independent auditors' report.

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

	<u>Proportionate share of net pension liability (asset)</u>			Total	District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary net position as
	<u>District's proportion</u>		State's proportion			as a percentage of its covered employee payroll	as a percentage of the total pension liability
	<u>Percentage</u>	<u>Value</u>					
2015	0.00%	\$ -	\$ 29,777,099	\$ 29,777,099	\$ 5,349,284	0.00%	28.71%
2016	0.00%	-	33,834,792	33,834,792	5,454,550	0.00%	22.33%
2017	0.00%	-	42,482,641	42,482,641	5,292,535	0.00%	25.41%
2018	0.00%	-	36,500,875	36,500,875	5,394,928	0.00%	26.49%
2019	0.00%	-	31,518,525	31,518,525	5,489,765	0.00%	26.95%
2020	0.00%	-	31,363,517	31,363,517	5,801,613	0.00%	24.60%
2021	0.00%	-	33,827,611	33,827,611	5,696,729	0.00%	35.52%
2022	0.00%	-	26,739,943	26,739,943	5,357,588	0.00%	32.29%
2023	0.00%	-	25,685,817	25,685,817	5,777,572	0.00%	34.68%
2024	N/A	N/A	N/A	N/A	6,050,739	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 289,416	\$ (289,416)	\$ -	\$ 5,454,550	5.31%
2016	432,373	(432,373)	-	5,292,535	8.17%
2017	609,917	(609,917)	-	5,091,375	11.98%
2018	748,420	(748,420)	-	5,394,928	13.87%
2019	1,027,437	(1,027,437)	-	5,489,765	18.72%
2020	1,148,244	(1,148,244)	-	5,801,613	19.79%
2021	1,494,239	(1,494,239)	-	5,696,729	26.23%
2022	1,477,095	(1,477,095)	-	5,357,588	27.57%
2023	2,169,099	(2,169,099)	-	5,777,572	37.54%
2024	2,097,152	(2,097,152)	-	6,050,739	34.66%

See independent auditors' report.

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

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

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's proportion				
	Percentage	Value					
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 32,425,640	\$ 32,425,640	\$ 6,546,966	0.00%	0.00%
2018	0.00%	-	27,497,436	27,497,436	6,486,106	0.00%	0.00%
2019	0.00%	-	24,812,268	24,812,268	6,625,930	0.00%	0.00%
2020	0.00%	-	39,809,685	39,809,685	6,996,611	0.00%	0.00%
2021	0.00%	-	35,907,292	35,907,292	6,871,888	0.00%	0.00%
2022	0.00%	-	30,636,427	30,636,427	6,513,167	0.00%	0.00%
2023	0.00%	-	31,475,526	31,475,526	6,823,320	0.00%	0.00%
2024	N/A	N/A	N/A	N/A	7,219,222	N/A	N/A

N/A = Information not available

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2024

- Note 1 - Special funding situation - PERS, TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% in State fiscal year 2022 and 2.75% in State fiscal year 2023.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% for State fiscal year 2022 and 2.75% for State fiscal year 2023.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 3.54% in State fiscal year 2022 to 3.65% in State fiscal year 2023.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SPECIAL REVENUE FUND

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title IIA	ESSA Title IVA	CRRSA Mental Health	ARP ESSER III	ARP Accelerated Learning	ARP Beyond the School Day	NJTSS Mental Health	Small, Rural School Achievement	Local	Student Activities	Total
Revenues														
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,771	\$ 47,489	\$ 53,260
Federal sources	141,854	5,846	18,057	6,434	7,032	2,528	60,002	15,712	11,344	16,361	56,550	-	-	341,720
Total revenues	<u>\$ 141,854</u>	<u>\$ 5,846</u>	<u>\$ 18,057</u>	<u>\$ 6,434</u>	<u>\$ 7,032</u>	<u>\$ 2,528</u>	<u>\$ 60,002</u>	<u>\$ 15,712</u>	<u>\$ 11,344</u>	<u>\$ 16,361</u>	<u>\$ 56,550</u>	<u>\$ 5,771</u>	<u>\$ 47,489</u>	<u>\$ 394,980</u>
Expenditures														
Instruction														
Salaries	\$ -	\$ -	\$ 1,497	\$ -	\$ -	\$ -	\$ 55,426	\$ -	\$ 10,660	\$ -	\$ -	\$ -	\$ -	\$ 67,583
General supplies	-	1,683	16,560	-	6,462	2,528	-	-	684	-	6,872	-	-	34,789
Other objects	-	-	-	-	570	-	-	-	-	-	-	-	-	570
Total	<u>-</u>	<u>1,683</u>	<u>18,057</u>	<u>-</u>	<u>7,032</u>	<u>2,528</u>	<u>55,426</u>	<u>-</u>	<u>11,344</u>	<u>-</u>	<u>6,872</u>	<u>-</u>	<u>-</u>	<u>102,942</u>
Support services														
Salaries	-	-	-	-	-	-	-	6,091	-	-	-	-	-	6,091
Purchased professional and technical services	141,854	4,163	-	-	-	-	-	5,630	-	2,742	-	5,771	-	160,160
Other purchased services	-	-	-	6,434	-	-	-	-	-	-	-	-	-	6,434
Supplies and materials	-	-	-	-	-	-	4,576	3,991	-	13,619	-	-	-	22,186
Student activities	-	-	-	-	-	-	-	-	-	-	-	-	40,491	40,491
Total	<u>141,854</u>	<u>4,163</u>	<u>-</u>	<u>6,434</u>	<u>-</u>	<u>-</u>	<u>4,576</u>	<u>15,712</u>	<u>-</u>	<u>16,361</u>	<u>-</u>	<u>5,771</u>	<u>40,491</u>	<u>235,362</u>
Capital														
Instructional equipment	-	-	-	-	-	-	-	-	-	-	49,678	-	-	49,678
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,678</u>	<u>-</u>	<u>-</u>	<u>49,678</u>
Total expenditures	<u>\$ 141,854</u>	<u>\$ 5,846</u>	<u>\$ 18,057</u>	<u>\$ 6,434</u>	<u>\$ 7,032</u>	<u>\$ 2,528</u>	<u>\$ 60,002</u>	<u>\$ 15,712</u>	<u>\$ 11,344</u>	<u>\$ 16,361</u>	<u>\$ 56,550</u>	<u>\$ 5,771</u>	<u>\$ 40,491</u>	<u>\$ 387,982</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,998	\$ 6,998
Fund balances, July 1	-	-	-	-	-	-	-	-	-	-	-	-	37,128	37,128
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,126</u>	<u>\$ 44,126</u>

See independent auditors' reports.

STATISTICAL SECTION

LEBANON TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities										
Net investment in capital assets	\$ 4,930,901	\$ 4,906,266	\$ 4,676,844	\$ 4,861,051	\$ 4,629,560	\$ 4,401,432	\$ 4,733,813	\$ 4,434,622	\$ 6,185,397	\$ 6,252,463
Restricted	1,701,163	1,884,059	3,616,418	4,194,911	4,387,301	5,094,136	5,377,742	2,927,806	3,599,810	3,484,568
Unrestricted	(1,682,319)	(1,599,598)	(3,115,678)	(3,569,171)	(3,325,021)	(2,765,855)	(2,941,642)	1,012,348	(481,802)	(348,764)
Total governmental activities	<u>\$ 4,949,745</u>	<u>\$ 5,190,727</u>	<u>\$ 5,177,584</u>	<u>\$ 5,486,791</u>	<u>\$ 5,691,840</u>	<u>\$ 6,729,713</u>	<u>\$ 7,169,913</u>	<u>\$ 8,374,776</u>	<u>\$ 9,303,405</u>	<u>\$ 9,388,267</u>
Business-type activities										
Net investment in capital assets	\$ 50,185	\$ 44,502	\$ 38,818	\$ 33,135	\$ 27,452	\$ 21,768	\$ 16,085	\$ 39,284	\$ 57,703	\$ 69,578
Unrestricted	11,145	13,271	12,581	8,577	7,750	12,070	43,849	126,220	97,311	56,171
Total business-type activities	<u>\$ 61,330</u>	<u>\$ 57,773</u>	<u>\$ 51,399</u>	<u>\$ 41,712</u>	<u>\$ 35,202</u>	<u>\$ 33,838</u>	<u>\$ 59,934</u>	<u>\$ 165,504</u>	<u>\$ 155,014</u>	<u>\$ 125,749</u>
District-wide										
Net investment in capital assets	\$ 4,981,086	\$ 4,950,768	\$ 4,715,662	\$ 4,894,186	\$ 4,657,012	\$ 4,423,200	\$ 4,749,898	\$ 4,473,906	\$ 6,243,100	\$ 6,322,041
Restricted	1,701,163	1,884,059	3,616,418	4,194,911	4,387,301	5,094,136	5,377,742	2,927,806	3,599,810	3,484,568
Unrestricted	(1,671,174)	(1,586,327)	(3,103,097)	(3,560,594)	(3,317,271)	(2,753,785)	(2,897,793)	1,138,568	(384,491)	(292,593)
Total district-wide	<u>\$ 5,011,075</u>	<u>\$ 5,248,500</u>	<u>\$ 5,228,983</u>	<u>\$ 5,528,503</u>	<u>\$ 5,727,042</u>	<u>\$ 6,763,551</u>	<u>\$ 7,229,847</u>	<u>\$ 8,540,280</u>	<u>\$ 9,458,419</u>	<u>\$ 9,514,016</u>

*

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

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 6,533,194	\$ 6,526,788	\$ 6,578,228	\$ 6,683,269	\$ 6,256,202	\$ 5,750,794	\$ 6,029,312	\$ 7,469,212	\$ 7,518,992	\$ 7,597,488
Special education	2,490,425	2,795,503	2,992,046	3,142,568	3,001,326	2,766,922	2,759,409	3,496,600	3,407,848	3,192,960
Other special education	89,518	138,946	229,805	221,962	227,443	235,087	194,701	310,517	269,965	568,992
Other instruction	120,121	143,696	177,040	170,689	161,274	107,354	82,824	116,624	85,732	91,230
Support services										
Tuition	376,397	379,272	149,320	99,596	40,675	57,062	103,135	154,661	191,070	71,541
Student & instruction related services	2,648,636	2,755,646	2,490,155	2,919,336	2,811,162	2,523,481	2,772,065	3,285,097	2,957,176	3,403,418
General & business administrative services	1,556,391	1,658,512	1,700,110	1,797,097	1,556,174	1,357,842	1,555,933	1,370,720	1,410,270	1,397,217
Plant operations & maintenance	1,009,734	1,008,798	1,660,550	1,537,887	1,665,023	1,738,448	2,102,547	1,149,442	1,467,532	1,322,527
Pupil transportation	595,215	566,871	551,316	545,247	545,197	492,206	544,909	557,204	597,108	713,740
Transfer to Charter schools	-	-	-	-	-	-	-	15,022	-	17,222
Interest on long-term debt	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165
Unallocated depreciation	-	-	263,163	267,284	253,312	235,292	247,759	-	-	-
Total governmental activities expenses	<u>15,421,796</u>	<u>15,976,197</u>	<u>16,793,898</u>	<u>17,387,100</u>	<u>16,519,953</u>	<u>15,266,653</u>	<u>16,394,759</u>	<u>17,927,264</u>	<u>17,907,858</u>	<u>18,378,500</u>
Business-type activities										
Food services	186,003	191,856	198,178	184,470	173,955	128,042	131,476	251,835	240,134	259,085
Total business-type activities	<u>186,003</u>	<u>191,856</u>	<u>198,178</u>	<u>184,470</u>	<u>173,955</u>	<u>128,042</u>	<u>131,476</u>	<u>251,835</u>	<u>240,134</u>	<u>259,085</u>
Total district expenses	<u>\$ 15,607,799</u>	<u>\$ 16,168,053</u>	<u>\$ 16,992,076</u>	<u>\$ 17,571,570</u>	<u>\$ 16,693,908</u>	<u>\$ 15,394,695</u>	<u>\$ 16,526,235</u>	<u>\$ 18,179,099</u>	<u>\$ 18,147,992</u>	<u>\$ 18,637,585</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Governmental activities										
Charges for services	\$ 252,878	\$ 358,428	\$ 242,462	\$ 255,547	\$ 535,977	\$ 592,911	\$ 573,438	\$ 540,543	\$ 695,281	\$ 823,465
Operating grants & contributions	5,513,787	6,152,112	6,691,052	7,278,457	5,851,605	5,025,299	5,637,111	295,048	429,718	351,132
Total governmental activities	<u>\$ 5,766,665</u>	<u>\$ 6,510,540</u>	<u>\$ 6,933,514</u>	<u>\$ 7,534,004</u>	<u>\$ 6,387,582</u>	<u>\$ 5,618,210</u>	<u>\$ 6,210,549</u>	<u>\$ 835,591</u>	<u>\$ 1,124,999</u>	<u>\$ 1,174,597</u>
Business-type activities										
Charges for services										
Food service	\$ 135,070	\$ 142,698	\$ 136,950	\$ 125,338	\$ 125,510	\$ 92,691	\$ 32,210	\$ -	\$ 149,046	\$ 140,312
Operating grants & contributions	37,789	45,601	51,943	42,627	41,935	33,987	120,362	340,264	80,348	88,180
Total business-type activities	<u>172,859</u>	<u>188,299</u>	<u>188,893</u>	<u>167,965</u>	<u>167,445</u>	<u>126,678</u>	<u>152,572</u>	<u>340,264</u>	<u>229,394</u>	<u>228,492</u>
Total district-wide program revenues	<u>\$ 5,939,524</u>	<u>\$ 6,698,839</u>	<u>\$ 7,122,407</u>	<u>\$ 7,701,969</u>	<u>\$ 6,555,027</u>	<u>\$ 5,744,888</u>	<u>\$ 6,363,121</u>	<u>\$ 1,175,855</u>	<u>\$ 1,354,393</u>	<u>\$ 1,403,089</u>
Net (expense) revenues										
Governmental activities	\$ (9,655,131)	\$ (9,465,657)	\$ (9,860,384)	\$ (9,853,096)	\$ (10,132,371)	\$ (9,648,443)	\$ (10,184,210)	\$ (17,091,673)	\$ (16,782,859)	\$ (17,203,903)
Business-type activities	(13,144)	(3,557)	(9,285)	(16,505)	(6,510)	(1,364)	21,096	88,429	(10,740)	(30,593)
Total district-wide net expenses	<u>\$ (9,668,275)</u>	<u>\$ (9,469,214)</u>	<u>\$ (9,869,669)</u>	<u>\$ (9,869,601)</u>	<u>\$ (10,138,881)</u>	<u>\$ (9,649,807)</u>	<u>\$ (10,163,114)</u>	<u>\$ (17,003,244)</u>	<u>\$ (16,793,599)</u>	<u>\$ (17,234,496)</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 9,400,000	\$ 9,541,000	\$ 9,731,820	\$ 9,926,000	\$ 10,124,520	\$ 10,327,000	\$ 10,533,540	\$ 10,744,210	\$ 11,108,605	\$ 11,422,876
Unrestricted grants & contributions	-	-	-	-	-	-	-	7,703,009	6,498,117	5,768,479
Investment earnings	15,209	14,833	24,367	64,277	82,721	60,734	14,059	11,915	66,133	81,811
Miscellaneous income	1,249	150,806	91,054	172,026	130,179	93,187	81,811	19,525	38,633	15,599
Transfers	-	-	-	-	-	-	(5,000)	(720)	-	-
Total governmental activities	<u>9,416,458</u>	<u>9,706,639</u>	<u>9,847,241</u>	<u>10,162,303</u>	<u>10,337,420</u>	<u>10,480,921</u>	<u>10,624,410</u>	<u>18,477,939</u>	<u>17,711,488</u>	<u>17,288,765</u>
Business-type activities										
Miscellaneous income	-	-	2,911	6,818	-	-	-	3,239	250	1,328
Transfers	-	-	-	-	-	-	5,000	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>2,911</u>	<u>6,818</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>3,239</u>	<u>250</u>	<u>1,328</u>
Total district-wide	<u>\$ 9,416,458</u>	<u>\$ 9,706,639</u>	<u>\$ 9,850,152</u>	<u>\$ 10,169,121</u>	<u>\$ 10,337,420</u>	<u>\$ 10,480,921</u>	<u>\$ 10,629,410</u>	<u>\$ 18,481,178</u>	<u>\$ 17,711,738</u>	<u>\$ 17,290,093</u>
Change in net position										
Governmental activities	\$ (238,673)	\$ 240,982	\$ (13,143)	\$ 309,207	\$ 205,049	\$ 832,478	\$ 440,200	\$ 1,386,266	\$ 928,629	\$ 84,862
Business-type activities	(13,144)	(3,557)	(6,374)	(9,687)	(6,510)	(1,364)	26,096	91,668	(10,490)	(29,265)
Total district	<u>\$ (251,817)</u>	<u>\$ 237,425</u>	<u>\$ (19,517)</u>	<u>\$ 299,520</u>	<u>\$ 198,539</u>	<u>\$ 831,114</u>	<u>\$ 466,296</u>	<u>\$ 1,477,934</u>	<u>\$ 918,139</u>	<u>\$ 55,597</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Restricted	\$ 3,032,542	\$ 3,591,930	\$ 3,616,418	\$ 4,194,911	\$ 4,387,301	\$ 4,888,741	\$ 5,347,374	\$ 4,222,017	\$ 4,841,902	\$ 4,655,727
Committed	265,576	53,067	722,391	465,047	254,673	353,616	290,481	1,956,003	98,528	112,321
Assigned	-	-	-	-	-	-	-	14,754	276,669	509,536
Unassigned	261,089	245,624	103,046	73,949	95,428	106,243	428,186	891,567	619,386	252,989
Total general fund	<u>\$ 3,559,207</u>	<u>\$ 3,890,621</u>	<u>\$ 4,441,855</u>	<u>\$ 4,733,907</u>	<u>\$ 4,737,402</u>	<u>\$ 5,348,600</u>	<u>\$ 6,066,041</u>	<u>\$ 7,084,341</u>	<u>\$ 5,836,485</u>	<u>\$ 5,530,573</u>
						*				
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,368	\$ 32,064	\$ 37,128	\$ 44,126
Capital projects fund	-	-	-	-	540,780	689,100	70,473	98,044	-	-
Committed, reported in										
Capital projects fund	-	-	-	-	-	-	62,536	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540,780</u>	<u>\$ 689,100</u>	<u>\$ 163,377</u>	<u>\$ 130,108</u>	<u>\$ 37,128</u>	<u>\$ 44,126</u>
						*				

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

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 9,400,000	\$ 9,541,000	\$ 9,731,820	\$ 9,926,000	\$ 10,124,520	\$ 10,327,000	\$ 10,533,540	\$ 10,744,210	\$ 11,108,605	\$ 11,422,876
Transportation	-	-	-	-	-	-	-	9,515	46,117	61,326
Tuition charges	131,710	297,748	242,462	255,547	512,220	570,926	566,389	493,635	603,272	714,650
Interest earnings	-	-	-	-	-	-	-	11,915	66,133	81,811
Miscellaneous	86,450	176,140	115,421	236,303	236,657	175,906	102,919	56,918	93,778	53,994
State sources	3,722,394	3,888,967	3,930,218	4,004,041	4,243,256	4,152,667	4,426,033	5,327,870	5,049,488	4,551,013
Federal sources	182,059	186,725	178,772	178,431	213,165	208,676	229,070	349,692	407,239	345,362
Total revenues	13,522,613	14,090,580	14,198,693	14,600,322	15,329,818	15,435,175	15,857,951	16,993,755	17,374,632	17,231,032
Expenditures										
Instruction										
Regular instruction	3,856,710	3,477,684	3,625,749	3,612,519	3,809,330	3,728,207	3,679,550	3,685,874	3,928,307	3,720,992
Special education instruction	1,458,580	1,520,152	1,650,527	1,700,093	1,828,260	1,793,901	1,684,109	1,800,910	1,929,528	1,716,065
Other special instruction	55,440	79,581	126,769	120,079	138,547	152,416	118,829	122,367	122,505	266,949
Other instruction	71,414	82,197	97,662	92,341	98,240	69,602	50,549	112,952	82,769	87,628
Support services										
Tuition	376,397	379,272	149,320	99,596	40,675	57,062	103,135	154,661	191,070	71,541
Student & instruction related services	1,609,023	1,547,908	1,373,252	1,578,914	1,712,132	1,635,902	1,691,666	1,753,821	1,701,927	1,821,951
General & business administrative services	777,896	788,711	909,544	810,437	845,909	880,110	949,358	840,667	946,854	948,922
Plant operations & maintenance	1,007,351	984,523	914,511	830,467	1,012,738	1,125,100	1,279,292	974,891	1,310,784	1,125,738
Pupil transportation	573,254	558,435	551,316	545,247	545,197	492,206	544,909	557,204	597,108	713,740
Employee benefits	2,574,545	2,789,567	2,693,102	2,684,934	2,740,779	2,739,659	2,804,025	2,755,133	2,772,640	3,191,281
On-behalf TPAF Pension & Social Security contributions	1,151,168	1,311,080	1,486,521	1,613,237	1,884,270	1,989,512	2,374,329	3,063,474	3,050,420	3,068,507
Capital outlay	245,645	237,891	67,021	618,241	127,301	9,815	584,712	134,618	2,079,391	385,622
Transfer to Charter schools	-	-	-	-	-	-	-	15,022	-	17,222
Special revenue funds	-	-	-	-	-	-	-	-	-	391,623
Capital projects fund	-	-	-	-	-	-	-	34,965	-	-
Debt service										
Interest & other charges	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165
Total expenditures	13,759,588	13,759,166	13,647,459	14,308,270	14,785,543	14,675,657	15,866,628	16,008,724	18,715,468	17,529,946

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (deficiency) of revenues over (under) expenditures	\$ (236,975)	\$ 331,414	\$ 551,234	\$ 292,052	\$ 544,275	\$ 759,518	\$ (8,677)	\$ 985,031	\$ (1,340,836)	\$ (298,914)
Other financing sources (uses)										
Transfer in	-	-	-	-	586,780	148,320	-	-	98,044	-
Transfer out	-	-	-	-	(586,780)	(148,320)	(5,000)	-	(98,044)	-
Total other financing sources (uses)	-	-	-	-	-	-	(5,000)	-	-	-
Net change in fund balances	\$ (236,975)	\$ 331,414	\$ 551,234	\$ 292,052	\$ 544,275	\$ 759,518	\$ (13,677)	\$ 985,031	\$ (1,340,836)	\$ (298,914)
Debt service as a percentage of non-capital expenditures	0.02%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interest income	\$ 15,209	\$ 14,833	\$ 24,367	\$ 64,277	\$ 82,721	\$ 60,734	\$ 14,058	\$ 11,915	\$ 66,133	\$ 81,811
Tuition	131,710	297,748	242,462	255,547	512,220	570,926	566,389	493,635	603,272	714,650
E-rate	-	-	-	-	-	-	-	-	12,000	-
Prior year refunds	570	590	-	-	-	-	-	-	1,530	-
Miscellaneous	62,179	148,978	2,026	25,665	113,624	913	(436)	1,029	1,090	545
Facility rentals	1,445	1,240	-	-	-	-	-	130	420	190
Transportation	-	-	-	-	23,757	21,985	-	9,515	46,117	61,326
Shared services	-	-	86,750	125,545	-	86,842	74,906	15,000	15,000	-
Accounts payable canceled	-	-	-	-	-	-	-	1,366	8,593	-
NJSIG Safety Grant	-	-	-	-	-	-	-	2,000	-	-
Annual totals	<u>\$ 211,113</u>	<u>\$ 463,389</u>	<u>\$ 355,605</u>	<u>\$ 471,034</u>	<u>\$ 732,322</u>	<u>\$ 741,400</u>	<u>\$ 654,917</u>	<u>\$ 534,590</u>	<u>\$ 754,155</u>	<u>\$ 858,522</u>

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 9,672,500	\$ 9,509,700	\$ 9,361,300	\$ 9,125,600	\$ 8,719,400	\$ 8,385,645	\$ 9,870,600	\$ 8,616,300	\$ 8,587,300	\$ 8,289,500
Residential	609,183,900	617,692,700	619,632,200	617,929,600	622,250,100	624,970,400	782,010,100	777,282,993	777,287,833	778,740,500
Farm regular	76,537,900	71,112,500	71,448,900	73,487,117	71,759,400	71,452,100	87,034,700	88,560,000	89,375,300	90,388,900
Q farm	2,007,849	1,976,112	2,199,467	2,204,744	2,259,506	2,039,600	2,084,500	2,094,400	2,070,150	2,035,900
Commercial	34,186,300	34,982,300	35,886,800	37,264,300	37,264,300	36,291,100	47,554,500	46,892,100	44,154,299	44,200,400
Industrial	3,340,100	3,340,100	3,213,500	3,213,500	3,213,500	3,213,500	3,355,500	3,355,500	3,355,500	3,749,800
Apartment	1,912,400	1,912,400	1,912,400	1,912,400	1,912,400	1,912,400	2,539,500	3,421,060	3,421,060	3,867,900
Total assessed value	736,840,949	740,525,812	743,654,567	745,137,261	747,378,606	748,264,745	934,449,400	930,222,353	928,251,442	931,272,900
Public utilities (a)	69,480	68,276	66,063	65,914	65,914	65,914	94,882	94,882	-	-
Net valuation taxable	<u>\$ 736,910,429</u>	<u>\$ 740,594,088</u>	<u>\$ 743,720,630</u>	<u>\$ 745,203,175</u>	<u>\$ 747,444,520</u>	<u>\$ 748,330,659</u>	<u>\$ 934,544,282</u>	<u>\$ 930,317,235</u>	<u>\$ 928,251,442</u>	<u>\$ 931,272,900</u>
Estimated actual county equalized value	<u>\$ 857,870,116</u>	<u>\$ 876,546,441</u>	<u>\$ 910,392,090</u>	<u>\$ 913,566,518</u>	<u>\$ 921,414,776</u>	<u>\$ 918,059,086</u>	<u>\$ 930,515,715</u>	<u>\$ 986,236,865</u>	<u>\$1,094,507,065</u>	<u>\$1,153,993,680</u>
Percentage of net valuation to estimated actual equalized value	<u>85.90%</u>	<u>84.49%</u>	<u>81.69%</u>	<u>81.57%</u>	<u>81.12%</u>	<u>81.51%</u>	<u>100.43%</u>	<u>94.33%</u>	<u>84.81%</u>	<u>80.70%</u>
Total direct school tax rate (b)	<u>\$ 1.289</u>	<u>\$ 1.309</u>	<u>\$ 1.332</u>	<u>\$ 1.354</u>	<u>\$ 1.381</u>	<u>\$ 1.128</u>	<u>\$ 1.153</u>	<u>\$ 1.195</u>	<u>\$ 1.231</u>	<u>\$ 1.254</u>

Source: Municipal Tax Assessor

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

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

* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General	(From J-6)		Municipality	County	
		Obligation Debt	Total Direct				
		Service (b)	School Tax Rate				
2015	\$ 1.289	\$ -	\$ 1.289	\$ 0.675	\$ 0.243	\$ 0.440	\$ 2.647
2016	1.309	-	1.309	0.716	0.290	0.453	2.768
2017	1.332	-	1.332	0.742	0.332	0.454	2.860
2018	1.354	-	1.354	0.774	0.357	0.465	2.950
2019	1.381	-	1.381	0.740	0.363	0.461	2.945
2020	1.128	-	1.128	0.581	0.298	0.374	2.381
2021	1.153	-	1.153	0.628	0.304	0.380	2.465
2022	1.195	-	1.195	0.654	0.309	0.399	2.557
2023	1.231	-	1.231	0.696	0.315	0.444	2.686
2024	1.254	-	1.254	0.761	0.323	0.460	2.798

Sources: Municipal Tax Collector

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

(a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

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

* Revalued/Reassessed

See independent auditors' report.

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

	2024			2015		
	Taxable	Rank	% of Total	Taxable	Rank	% of Total
	Assessed Value		District Net Assessed Value	Assessed Value		District Net Assessed Value
Route 31 Imports Realty LLC	\$ 5,095,300	1	0.55%	\$ -		0.00%
Columbia Gas Transmission Corp	4,143,900	2	0.44%	3,916,300	1	0.53%
MCI Worldcom	3,000,000	3	0.32%	-		0.00%
Trimmer Road Company, LLC	2,823,600	4	0.30%	2,467,273	3	0.33%
Individual Property Owner	2,780,000	5	0.30%	2,910,906	2	0.39%
Rt 513 at Sliker LLC	2,573,200	6	0.28%	-		0.00%
Individual Property Owner	2,025,100	7	0.22%	2,000,100	5	0.27%
Eastern Concrete Materials Inc	1,845,000	8	0.20%	1,750,000	6	0.24%
Davara Industrial Center LLC	1,788,000	9	0.19%	2,019,700	4	0.27%
Verizon Wireless	1,673,600	10	0.18%	-		0.00%
Individual Property Owner	-		0.00%	1,361,000	7	0.18%
Genon Rema NJ	-		0.00%	1,311,400	8	0.18%
Individual Property Owner	-		0.00%	1,277,830	9	0.17%
High Bridge Quartet	-		0.00%	1,255,800	10	0.17%
	<u>\$ 27,747,700</u>		<u>2.98%</u>	<u>\$ 20,270,309</u>		<u>2.73%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2015	\$ 9,400,000	\$ 9,400,000	100.00%
2016	9,541,000	9,541,000	100.00%
2017	9,731,820	9,731,820	100.00%
2018	9,926,000	9,926,000	100.00%
2019	10,124,520	10,124,520	100.00%
2020	10,327,000	10,327,000	100.00%
2021	10,533,540	10,533,540	100.00%
2022	10,744,210	10,744,210	100.00%
2023	11,108,605	11,108,605	100.00%
2024	11,422,876	11,422,876	100.00%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

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

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	N/A	N/A
2016	-	-	-	-	-	-	-	N/A	N/A
2017	-	-	-	-	-	-	-	N/A	N/A
2018	-	-	-	-	-	-	-	N/A	N/A
2019	-	-	-	-	-	-	-	N/A	N/A
2020	-	-	-	-	-	-	-	N/A	N/A
2021	-	-	-	-	-	-	-	N/A	N/A
2022	-	-	-	-	-	-	-	N/A	N/A
2023	-	-	-	-	-	-	-	N/A	N/A
2024	-	-	-	-	-	-	-	N/A	N/A

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

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

See independent auditors' report.

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ -	\$ -	\$ -	0.00%	\$ -
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2024	-	-	-	0.00%	-

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

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

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

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 569,768	100.00%	\$ 569,768
Regional High School	6,360,000	11.74%	746,664
County general obligation debt	71,347,396	4.31%	<u>3,075,073</u>
Subtotal, overlapping debt			4,391,505
School district direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 4,391,505</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized Valuation Basis	
	2023	\$ 1,150,249,618
	2022	1,096,830,979
	2021	988,024,976
		<u>\$ 3,235,105,573</u>
Average equalized valuation of taxable property		<u>\$ 1,078,368,524</u>
Debt limit (3.0% of average equalization value)	(a)	\$ 32,351,056
Total net debt applicable to limit		<u>-</u>
Legal debt margin		<u>\$ 32,351,056</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt limit	\$ 27,574,456	\$ 27,823,335	\$ 28,553,017	\$ 30,261,770	\$ 32,351,056
Total net debt applicable	-	-	-	-	-
Legal debt margin	<u>\$ 27,574,456</u>	<u>\$ 27,823,335</u>	<u>\$ 28,553,017</u>	<u>\$ 30,261,770</u>	<u>\$ 32,351,056</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 26,286,099	\$ 26,341,652	\$ 26,859,556	\$ 27,303,793	\$ 27,409,820
Total net debt applicable	-	-	-	-	-
Legal debt margin	<u>\$ 26,286,099</u>	<u>\$ 26,341,652</u>	<u>\$ 26,859,556</u>	<u>\$ 27,303,793</u>	<u>\$ 27,409,820</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized Valuation Bases were obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2015	6,194	\$ 488,471,228	\$ 78,862	4.4%
2016	6,167	499,409,827	80,981	4.1%
2017	6,131	513,550,953	83,763	3.7%
2018	6,123	519,916,176	84,912	3.8%
2019	6,112	537,452,608	87,934	3.0%
2020	6,095	560,410,870	91,946	7.7%
2021	6,056	575,852,928	95,088	4.6%
2022	6,210	622,788,480	100,288	3.2%
2023	6,225	635,223,900	102,044	3.4%
2024	6,212	N/A	N/A	N/A

Sources:

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

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

2024

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2015

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	52.5	50.7	48.0	49.0	44.6	43.6	43.6	42.6	43.7	43.7
Special education	24.9	32.5	29.7	25.2	20.4	20.4	19.4	23.0	21.1	21.1
Other instruction	0.6	0.5	-	-	-	-	-	-	-	-
Support services										
Student and instruction related services	27.4	22.9	15.4	19.8	27.4	26.8	26.8	23.1	18.6	16.6
General administration	2.1	2.0	2.5	2.3	2.1	2.0	2.0	2.5	3.7	5.0
School administration services	7.0	7.0	7.0	4.2	4.0	4.0	4.0	3.4	3.0	3.0
Central services	2.0	2.0	1.5	1.4	1.4	2.4	1.4	2.5	3.0	3.0
Plant operations and maintenance	8.0	7.6	7.6	7.6	7.0	6.0	6.0	6.5	7.0	7.0
Transportation services	-	-	-	0.6	0.6	0.6	0.6	1.0	-	-
Total	<u>124.5</u>	<u>125.2</u>	<u>111.7</u>	<u>110.1</u>	<u>107.5</u>	<u>105.8</u>	<u>103.8</u>	<u>104.6</u>	<u>100.1</u>	<u>99.4</u>

Source: District Personnel Records

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	698	\$ 13,511,778	\$ 19,358	4.23%	62.0	1:11.26	687.5	657.5	-5.12%	95.64%
2016	663	13,519,110	20,391	5.34%	62.0	1:10.69	659.5	631.1	-4.07%	95.69%
2017	630	13,578,273	21,553	5.70%	64.0	1:9.84	624.2	594.0	-5.35%	95.16%
2018	593	13,687,864	23,082	7.09%	62.0	1:9.56	590.5	565.0	-5.40%	95.68%
2019	638	14,656,077	22,972	-0.48%	62.0	1:10.29	626.5	597.6	6.10%	95.39%
2020	632	14,663,677	23,202	1.00%	64.0	1:9.88	623.8	604.2	-0.43%	96.86%
2021	575	15,279,751	26,573	14.53%	69.0	1:8.33	574.7	555.1	-7.87%	96.59%
2022	601	15,871,941	26,409	-0.62%	67.0	1:8.97	586.2	553.9	2.00%	94.49%
2023	587	16,633,912	28,337	7.30%	64.8	1:9.06	581.8	545.0	-0.75%	93.67%
2024	537	17,142,159	31,922	12.65%	69.0	1:7.78	557.8	525.6	-4.13%	94.23%

Source: District Records

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

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Valley View Elementary (1974)										
Square feet	43,741	43,741	43,741	43,741	43,741	43,741	43,741	43,741	43,741	43,741
Capacity (students)	404	404	404	404	404	404	404	404	404	404
Enrollment	332	341	335	303	313	310	276	277	284	272
Woodglen Middle School (1954)										
Square feet	51,060	51,060	51,060	51,060	51,060	51,060	51,060	51,060	51,060	51,060
Capacity (students)	301	301	301	301	301	301	301	301	301	301
Enrollment	350	318	295	290	325	322	299	272	269	258
Number of schools at June 30, 2024:										
Elementary	1									
Middle	1									

Source: District Facilities Office

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

See independent auditors' report.

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

Undistributed expenditures - Required maintenance for school facilities

<u>Fiscal Year Ending</u>	<u>Valley View School</u>	<u>Woodglen School</u>	<u>Total</u>
2015	\$ 83,807	\$ 71,328	\$ 155,135
2016	52,121	154,311	206,432
2017	129,140	114,521	243,661
2018	108,414	96,141	204,555
2019	159,780	141,692	301,472
2020	194,293	172,297	366,590
2021	240,156	212,969	453,125
2022	96,508	85,582	182,090
2023	184,888	163,957	348,845
2024	158,999	141,000	299,999
Total school facilities	<u>\$ 1,408,106</u>	<u>\$ 1,353,798</u>	<u>\$ 2,761,904</u>

Source: District Records

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

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - Educational Risk and Insurance consortium		
Property - building blanket and contents (policy limit)	\$ 500,000,000	\$ 5,000
Comprehensive general liability (policy limit)	11,000,000	-
Comprehensive automobile liability (policy limit)	11,000,000	-
School board legal liability - educational risk and insurance consortium		
School leaders errors and omissions liability	11,000,000	5,000
Workmen's compensation - educational risk and insurance consortium		
Per accident, disease and disease limit	3,000,000	-
Public employees' faithful Performance - Selective Insurance Company		
Treasurer of School Monies bond	200,000	-
School Board Secretary bond	200,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

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



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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Lebanon Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated November 27, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

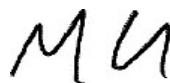
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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



BKC, CPAs, PC



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

November 27, 2024
Flemington, New Jersey



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

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Lebanon Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2024. The District's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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

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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

**BKC, CPAs, PC**Michael A. Holk, CPA, PSA
PSA NO. 20CS00265600November 27, 2024
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/23	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2024		
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education Special Revenue Fund Special education cluster (IDEA)														
IDEA Basic	84.027A	H027A230100	\$ 151,975	07/01/22	06/30/23	\$ (24,854)	\$ -	\$ 24,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IDEA Basic	84.027A	H027A240100	152,198	07/01/23	06/30/24	-	-	152,198	141,854	-	-	-	10,344	-
IDEA Preschool	84.173A	H173A210114	4,656	07/01/20	06/30/21	(351)	-	351	-	-	-	-	-	-
IDEA Preschool	84.173A	H173A230114	9,843	07/01/22	06/30/23	(2,288)	-	3,134	846	-	-	-	-	-
IDEA Preschool	84.173A	H173A240114	5,163	07/01/23	06/30/24	-	-	4,986	5,000	-	-	(14)	-	-
Total special education cluster (IDEA)						(27,493)	-	185,523	147,700	-	-	(14)	10,344	-
Title I A	84.010	S010A230030	20,726	07/01/22	06/30/23	(7,346)	-	7,346	-	-	-	-	-	-
Title I A	84.010	S010A240030	19,726	07/01/23	06/30/24	-	-	18,057	18,057	-	-	-	-	-
Title II A	84.367A	S367A230029	16,943	07/01/22	06/30/23	(1,615)	-	1,615	-	-	-	-	-	-
Title II A	84.367A	S367A240029	6,495	07/01/23	06/30/24	-	-	6,222	6,434	-	-	(212)	-	-
Title III	85.365	S365A230030	713	07/01/22	06/30/23	(704)	-	704	-	-	-	-	-	-
Title IV A	84.424	S424A210031	11,567	07/01/20	06/30/21	(7,267)	-	1,913	-	-	-	(5,354)	-	-
Title IV A	84.424	S424A220031	10,000	07/01/21	06/30/22	(1,925)	-	1,925	-	-	-	-	-	-
Title IV A	84.424	S424A230031	10,000	07/01/22	06/30/23	(3,251)	-	1,957	-	1,294	-	-	-	-
Title IV A	84.424	S424A240031	10,000	07/01/23	06/30/24	-	-	6,855	7,032	-	-	(177)	-	-
COVID-19														
ARP IDEA Preschool	84.173X	H173X210114	2,109	07/01/20	06/30/21	(22)	-	22	-	-	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	25,000	03/13/20	09/30/23	(2,823)	-	2,823	-	-	-	-	-	-
CRRSA - Mental Health	84.425D	S425D210027	45,000	03/13/20	09/30/23	(12,540)	-	13,232	2,528	1,836	-	-	-	-
ARP - ESSER														
ARP - ESSER	84.425U	S425U210027	115,103	03/13/20	09/30/24	(42,003)	-	96,036	60,002	-	-	(5,969)	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	50,000	03/13/20	09/30/24	(5,809)	-	16,148	15,712	-	-	(5,373)	-	-
Evidenced Based Comprehensive Beyond the School Day	84.425U	S425U210027	40,000	03/13/20	09/30/24	(1,358)	-	7,368	11,344	-	-	(5,334)	-	-
NJTSS Mental Health	84.425U	S425U210027	45,000	03/13/20	09/30/24	(17,678)	-	21,414	16,361	-	-	(12,625)	-	-
Rural Education Achievement Program	84.358	S358B240030	49,595	07/01/23	06/30/24	-	-	56,550	56,550	-	-	-	-	-
Total Special Revenue Fund						(131,834)	-	445,710	341,720	3,130	-	(35,058)	10,344	-
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund														
Child Nutrition Cluster														
National School Lunch Program														
Non-Cash Assistance (Commodities)	10.555	231NJ304N1099	26,179	07/01/22	06/30/23	4,310	-	-	4,310	-	-	-	-	-
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	28,331	07/01/23	06/30/24	-	-	28,331	25,294	-	-	-	3,037	-
Cash Assistance	10.555	231NJ304N1099	43,161	07/01/22	06/30/23	(2,623)	-	2,623	-	-	-	-	-	-
Cash Assistance	10.555	241NJ304N1099	36,934	07/01/23	06/30/24	-	-	34,425	36,934	-	-	(2,509)	-	-
Total Child Nutrition Cluster						1,687	-	65,379	66,538	-	-	(2,509)	3,037	-
P-EBT Administrative	10.649	202225900941	653	07/01/23	06/30/24	-	-	653	653	-	-	-	-	-
Supply Chain Assistance	10.555	241NJ304N1099	18,080	07/01/23	06/30/24	-	-	18,080	18,080	-	-	-	-	-
Total Enterprise Fund						1,687	-	84,112	85,271	-	-	(2,509)	3,037	-
Total Federal Awards						\$ (130,147)	\$ -	\$ 529,822	\$ 426,991	\$ 3,130	\$ -	\$ (37,567)	\$ 13,381	\$ -

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2023			Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2024			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education															
General Fund															
Special Education Categorical Aid	24-495-034-5120-089	\$ 448,913	07/01/23	06/30/24	\$ -	\$ -	\$ 404,093	\$ 448,913	\$ -	\$ -	\$ -	\$ -	\$ 44,820	\$ 448,913	
Equalization Aid	24-495-034-5120-078	126,819	07/01/23	06/30/24	-	-	114,156	126,819	-	-	-	-	12,663	126,819	
School Choice Aid	24-495-034-5120-068	416,672	07/01/23	06/30/24	-	-	375,071	416,672	-	-	-	-	41,601	416,672	
Security Aid	24-495-034-5120-084	54,166	07/01/23	06/30/24	-	-	48,758	54,166	-	-	-	-	5,408	54,166	
Transportation Aid	24-495-034-5120-014	320,578	07/01/23	06/30/24	-	-	288,571	320,578	-	-	-	-	32,007	320,578	
Extraordinary Aid	23-100-034-5120-044	450,575	07/01/22	06/30/23	(450,575)	-	450,575	-	-	-	-	-	-	450,575	
Extraordinary Aid	24-100-034-5120-044	95,703	07/01/23	06/30/24	-	-	-	95,703	-	(95,703)	-	-	-	95,703	
Non-Public Transportation Aid	23-495-034-5120-014	8,112	07/01/22	06/30/23	(8,112)	-	8,112	-	-	-	-	-	-	8,112	
Non-Public Transportation Aid	24-495-034-5120-014	13,195	07/01/23	06/30/24	-	-	-	13,195	-	(13,195)	-	-	-	13,195	
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	2,043,299	07/01/23	06/30/24	-	-	2,043,299	2,043,299	-	-	-	-	-	2,043,299	
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	23,303	07/01/23	06/30/24	-	-	23,303	23,303	-	-	-	-	-	23,303	
On-Behalf TPAF Pension Contribution - Post Retirement Medical	24-495-034-5094-001	562,453	07/01/23	06/30/24	-	-	562,453	562,453	-	-	-	-	-	562,453	
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-001	1,002	07/01/23	06/30/24	-	-	1,002	1,002	-	-	-	-	-	1,002	
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	415,314	07/01/22	06/30/23	(41,751)	-	41,751	-	-	-	-	-	-	415,314	
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	438,450	07/01/23	06/30/24	-	-	412,124	438,450	-	(26,326)	-	-	-	438,450	
Total General Fund					(500,438)	-	4,773,268	4,544,553	-	(135,224)	-	-	136,499	5,418,554	
State Department of Agriculture															
Enterprise Fund															
State School Lunch Program	23-100-010-3350-023	2,762	07/01/22	06/30/23	(175)	-	175	-	-	-	-	-	-	2,762	
State School Lunch Program	24-100-010-3350-023	2,909	07/01/23	06/30/24	-	-	2,736	2,909	-	(173)	-	-	-	2,909	
Total Enterprise Fund					(175)	-	2,911	2,909	-	(173)	-	-	-	5,671	
Total State Financial Assistance					\$ (500,613)	\$ -	\$ 4,776,179	4,547,462	\$ -	\$ (135,397)	\$ -	\$ -	\$ 136,499	\$ 5,424,225	
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	2,043,299	07/01/23	06/30/24				2,043,299							
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	23,303	07/01/23	06/30/24				23,303							
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	562,453	07/01/23	06/30/24				562,453							
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-001	1,002	07/01/23	06/30/24				1,002							
Total for State Financial Assistance - Major Program Determination								\$ 1,917,405							

See independent auditors' report.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 1 - General

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

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$6,460 for the general fund and \$3,641 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

LEBANON TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 4,551,013	\$ 4,551,013
Special revenue fund	345,362	-	345,362
Food service fund	85,271	2,909	88,180
Total awards and financial assistance	<u>\$ 430,633</u>	<u>\$ 4,553,922</u>	<u>\$ 4,984,555</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the fiscal year ended June 30, 2024. TPAF Social Security contribution represents the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the fiscal year ended June 30, 2024.

Note 6 - Indirect costs

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

Note 7 - Adjustments on the Schedule of Federal Awards

On Schedule A, the adjustments of \$1,294 for the Title IV A program for fiscal year 2023 and \$1,836 for the CRRSA Mental Health program represent prior year encumbrances canceled in the current year.

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

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified?

☐ Yes ☒ No

2. Were significant deficiencies identified?

☐ Yes ☒ None reported

Noncompliance material to Basic
Financial Statements noted?

☐ Yes ☒ No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified?

☐ Yes ☐ No

2. Were significant deficiencies identified?

☐ Yes ☐ None reported

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

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

☐ Yes ☐ No

Identification of Major Programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

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

Did the auditee qualify as a low-risk auditee?

☐ Yes ☐ No

State Awards

\$750,000

X	Yes	No
-----	-----	----

Yes X No

Yes X None reported

Unmodified

Yes X No

State Grant/Project Numbers	Name of State Program
	<i>State Aid Public Cluster:</i>
<i>24-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>24-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>24-495-034-5120-084</i>	<i>Security Aid</i>
<i>24-495-034-5120-068</i>	<i>School Choice Aid</i>

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2024.

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

There were no findings or questioned costs for the year ended June 30, 2024.

LEBANON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Status of Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings.