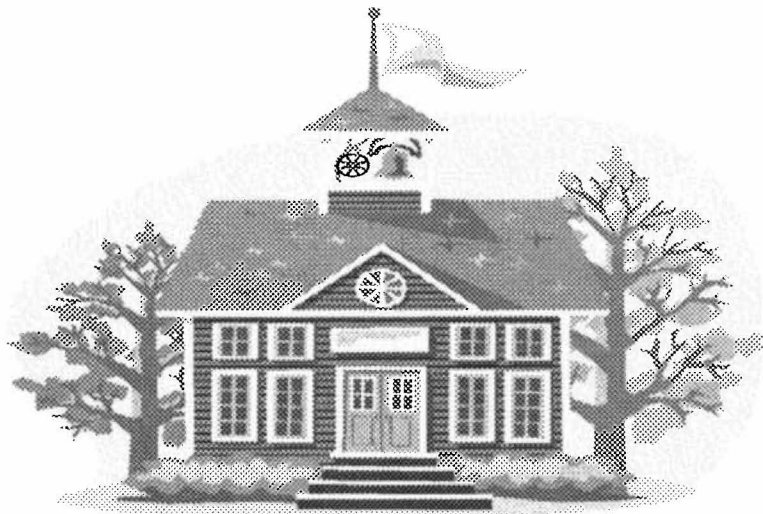


SCHOOL DISTRICT

OF

LAWRENCE TOWNSHIP



LAWRENCE TOWNSHIP BOARD OF EDUCATION
LAWRENCE TOWNSHIP, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

LAWRENCE TOWNSHIP BOARD OF EDUCATION

LAWRENCE TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY

**LAWRENCE TOWNSHIP BOARD OF EDUCATION
FINANCE DEPARTMENT**

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1.
Roster of Officials	2.
Consultants and Advisors	3.
Organizational Chart	4.
FINANCIAL SECTION	
Independent Auditor's Report	5 to 7.
Required Supplementary Information – Part I	
Management's Discussion and Analysis	8 to 18.
<u>Basic Financial Statements</u>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	19.
A-2 Statement of Activities	20 & 21.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	22.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	23 & 24.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25.
Proprietary Funds:	
B-4 Statement of Net Position	26.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	27.
B-6 Statement of Cash Flows	28.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	29.
B-8 Statement of Changes in Fiduciary Net Position	30.
Notes to Financial Statements	31 to 54.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	55 to 69.
C-1b Budgetary Comparison Schedule – General Fund – Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	70 & 71.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	72.
Required Supplementary Information – Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB) 68	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	73.
L-2 Schedule of District Contributions – PERS	74.
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	75.
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	76 to 78.
E-2 Schedule of Preschool Education Aid – Budgetary Basis	79.
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A
E-6 Schedule of Targeted At-Risk (TARA) Aid – Budgetary Basis	N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	80.
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	81.
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Alterations and Additions to Benjamin Franklin Chimney and HVAC	82.
F-2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Improvements to the HVAC Lawrenceville Elementary	83.
F-2c Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Improvements to the HVAC at Slackwood School	84.
F-2d Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Improvements to the HVAC at Eldridge Park Elementary	85.
F-2e Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Improvements to the HVAC Lawrence Intermediate School	86.
F-2f Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Improvements to the HVAC Lawrence Middle School	87.
F-2g Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Improvements to the HVAC Lawrence High School	88.
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Schedule of Net Position	89.
G-2 Schedule of Revenues, Expenses and Changes in Fund Net Position	90.
G-3 Schedule of Cash Flows	91.
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	92.
H-2 Combining Statement of Changes in Fiduciary Net Position	93.
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	94.
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	95.
H-5 Summer Savings – Schedule of Receipts and Disbursements	95.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	96.
I-2 Schedule of Obligations Under Capital Leases	97.
I-3 Debt Service Fund - Budgetary Comparison Schedule	98.

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	99.
J-2 Changes in Net Position	100.
J-3 Fund Balances – Governmental Funds	101.
J-4 Changes in Fund Balances – Governmental Funds	102.
J-5 General Fund Other Local Revenue by Source	103.

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	104.
J-7 Direct and Overlapping Property Tax Rates	105.
J-8 Principal Property Taxpayers*	106.
J-9 Property Tax Levies and Collections	107.

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	108.
J-11 Ratios of General Bonded Debt Outstanding	109.
J-12 Direct and Overlapping Governmental Activities Debt	110.
J-13 Legal Debt Margin Information	111.

Demographic and Economic Information

J-14 Demographic and Economic Statistics	112.
J-15 Principal Employers	113.

Operating Information

J-16 Full-time Equivalent District Employees by Function/Program	114.
J-17 Operating Statistics	115.
J-18 School Building Information	116.
J-19 Schedule of Required Maintenance Expenditures by School Facility	116.
J-20 Insurance Schedule	117.

*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

Page

SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	118 & 119.
K-2	Independent Auditor's Report on Compliance for Each Major Program And on Internal Control Over Compliance Required by OMB Circular A-133	120 to 122.
K-3	Schedule of Expenditures of Federal Awards, Schedule A	123.
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	124.
K-5	Notes to Schedules of Awards and Financial Assistance	125 to 127.
K-6	Schedule of Findings and Questioned Costs	128 to 131.
K-7	Summary Schedule of Prior Audit Findings	132.

INTRODUCTORY SECTION



LAWRENCE TOWNSHIP PUBLIC SCHOOLS

Business Office

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

Tom Eldridge

Business Administrator

Board Secretary

December 3, 2015

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Lawrence Township School District for the fiscal year ended June 30, 2015, 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation 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 CAFR is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the general purpose financial statements and schedules, The Management Discussion and Analysis Letter, as well as the auditor's report. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

While presented in four sections, this document is intended to be read as a whole. A narrative on the status of the major funds within the school district's budget is included within the Management Discussion and Analysis section of this report.

Respectfully submitted,

Thomas Eldridge

Business Administrator/Board Secretary

ROSTER OF OFFICIALS

2015

Members:	Position	Date Elected	Term Begins	Term Ends
Glenn Collins	Member	November 4, 2014	January 2015	January 2018
Dana Drake	Member	November 4, 2014	January 2015	January 2018
Max Ramos	Member	November 4, 2014	January 2015	January 2018
Pepper Evans	Member	November 5, 2013	January 2014	January 2017
Michael Horan	Member	November 5, 2013	January 2014	January 2017
Laura Waters	Member	November 5, 2013	January 2014	January 2017
Jo Ann Groeger	Member	April 17, 2012	April 2012	January 2016
Thomas Patrick	Member	April 17, 2012	April 2012	January 2016
Kevin Van Hise	Member	April 17, 2012	April 2012	January 2016
Professionals:	Position	Appointed	Term Begins	Term Ends
Crystal Edwards	Superintendent	May 13, 2015	July 1, 2015	June 30, 2020
Thomas Eldridge	Board Secretary/ SBA	May 13, 2015	July 1, 2015	June 30, 2016
Appointments:	Position	Appointed	Term Begins	Term Ends
Richard Krawczun	Treasurer	May 13, 2015	July 1, 2015	June 30, 2016
Robert Hulsart and Co.	Auditor	May 13, 2015	July 1, 2015	June 30, 2016
Comegno Law	Attorney	May 13, 2015	July 1, 2015	June 30, 2016
Parker McCay	Attorney	May 13, 2015	July 1, 2015	June 30, 2016
Date of election	November 4, 2014			
Candidates:	Votes:			
Dana Drake	3,363			
Glenn Collins	2,986			
Max Ramos	2,997			
Harriet Johnson	2,738			

2015 BOARD MEETING DATES

January	14,	2015	July	15,	2015
February	11,	2015	August	12,	2015
March	11,	2015	September	9,	2015
April	15,	2015	October	14,	2015
May	13,	2015	November	11,	2015
June	10,	2015	December	9,	2015

All meeting will be held in the High School Library.
 Meetings will begin in executive session at 6:30 p.m.
 Regular session will begin at 7:00 p.m.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

Audit Firm

Robert A. Hulsart & Company
Certified Public Accountants
P.O. Box 1409
Wall, New Jersey 07719

Attorney

Parker, McCay & Criscuolo, P.A.
1009 Lenox Drive
Building 4 East, Suite 102A
Lawrenceville, New Jersey 08648

Official Depositories

TD Bank

MBIA

N.J. Cash Management



**Lawrence Township Public Schools
Organization Chart – May 2013**

5/8/13

FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

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

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409

Wall, New Jersey 07719-1409
(732) 681-4990

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the Lawrence Township's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lawrence Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

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

December 3, 2015

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

LAWRENCE TOWNSHIP PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The discussion and analysis of Lawrence Township Public School District's financial performance provides a review of the school district's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to review and explain the school district's financial performance for the major fund categories. The MD&A should be read in conjunction with the Comprehensive Annual Financial Report (the audit/CAFR). For information about the deployment of resources relative to the instructional program, the reader is referred to the district's Official Budget and related information available in the Board Secretary's office located at the Administration Building, 2565 Princeton Pike, Lawrenceville, NJ 08648, or at the district's website at www.ltps.org.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Lawrence Township Public 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* provides information about the activities of the whole school district, presenting an aggregate view of the school district's finances and short and long term views 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. In the case of Lawrence Township Public School District, the General Fund(Operating Budget) is the most significant fund, with the Special Revenue Fund, Capital Project's Fund, and Debt Service Fund also having significance. The General Fund and Special Revenue Fund(Grants and Entitlements) are used for day to day operating activities that support the basic educational program. The Capital Projects Fund supports construction projects and the Debt Service Fund(Repayment of Debt) is used to account for long term debt that was issued through a bond referendum or other publicly approved borrowing mechanism.

The most financially instructive schedule in the CAFR, closely related to the district's official budget statement, is the Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual. These schedules (Exhibits C-1 & C-2) reflect most closely the district's Board Secretary's Reports and budget submitted to the State of New Jersey. It is crucial that the reader of these audit documents refer to the interim financial reports presented in the form of the Board Secretary's Report which can be found online at www.ltps.org.

The purpose of Exhibits C-1 & C-2 is to provide the reader with comparative numbers concerning budgeted appropriations and expenditures and actual appropriations and expenditures. The reader, however, should be cautioned to refer to "Note 11" when analyzing the last section of the "C" schedules concerning Fund Balance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding the Management Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the school district's major funds begins on Exhibit B-1. 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. The MD&A focuses 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. The General Fund represents the majority of financial transactions occurring within a year and best represents the overall educational strategy of the district. The Special Revenue fund comprises of grants and other entitlements. The Special Revenue fund contains resources that are earmarked for certain programs within both regular and special education. Special Revenue funds are restricted and may only be spent according to grant and entitlement guidelines. The Special Revenue fund is a small fraction of the size of the General Fund and it typically does not represent the full spectrum of services offered by the school district.

Governmental Funds

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

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

The Statistical Section of the Comprehensive Annual Financial Report provides information necessary for the reader to compare expenditures across budget years for the programs listed. 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.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. Enterprise funds, however, are subject to greater volatility due to uncertain revenue streams. Enterprise funds at their most basic are funds that are operated on a fee for service basis. Examples of these funds are the Cafeteria Fund, After School Program (no longer used), and the Building Use Fund.

Financial Highlights

The Lawrence Township Board of Education separates its comprehensive budget into fund groupings. Major fund groupings are separated into discrete fund types. Each fund has its own budget and separate

balance sheet. This analysis focuses on the district's General Fund also known as the Operating Budget.

Key financial highlights for the reporting year for the General Operating Fund are as follows:

The Economic Climate:

The economic climate of the nation, state, county, municipality and private industry influences the operations of the Lawrence Township Public Schools and the students the district serves. Below are listed some of the key influences encountered during the school year. These issues are anticipated to remain influential throughout the next several school years.

- **Free and Reduced Priced Lunches**-Participation in the National Schools Lunch Program is typically considered an indicator of affluence within a school district. The higher the participation, the less affluent the population. From June 30, 2008 through June 30, 2015, students eligible to receive free or reduced priced lunches under the National Schools Lunch Program increased from 15% of the student population to 24% of the student population. There was a 1% increase between this audit year and the prior audit year. The increase represents a trend of year over year of increasing participation in the NSLP and not a one-time event. This trend continued to grow as of the end of the audit year.
- **Consumer Price Index**-The Consumer Price Index is a measure of the costs of goods and services. The purpose of the index is to document overall changes in prices for a period of time. A general measure is the annual average change between years ending December 31, 2013 and December 31, 2014. The average increase in the CPI for the audit year was Less than 1 %. The average growth in the CPI slowed between the audit year and pre-audit year. The CPI was below the New Jersey property tax cap of 2%. <http://www.bls.gov/cpi/tables.htm>
- **Unemployment Rate**-Unemployment rate is a key indicator of the health of the economy. In 2008, New Jersey ranked number 30(50 was the worst), with a 5.5% unemployment rate. At June 30, 2015 New Jersey's unemployment rate was 6.1%, down from 6.6% for the same time period in the previous year. The national unemployment rate for the month June 30, 2015 was 5.3% The record high unemployment rate occurred in December 1976, 10.7%. The record low rate occurred in July 2000, 3.6%. Source: U.S. Department of Labor: Bureau of Labor Statistics <http://www.bls.gov/web/laus/launstrk.htm>.
- **Ratable Base**-The ratable base represents the total value of taxable property in the municipality. From calendar year 2008 through calendar year 2013, the total value of taxable property in the municipality decreased by 7%. In 2014 a 100% revaluation of property was conducted and a new ratable value was developed. The new ratable value for 2014 was \$4,584,134,874. The total value of the ratable base in 2015 is \$4,535,517,584, a decrease of (\$48,617,290). Changes in the ratable base require that the district provide comparative information in a form that allows the reader to understand the demand for taxes from the school district. The total change in terms of percentage that school taxes increased was 3.28%.
- **State Aid**- From audit year 2014 to audit year 2015 the district received a 2.4% increase in state aid. The total state aid available for budget purposes, in the Operating Budget, for the year ending June 30, 2015 was \$3,464,314. This amount does not include Extraordinary Aid or Supplemental Transportation Aid; both of which are received in the last month of the audited year and therefore not available to fund programs in any practical manner. These two forms of aid are received and allowed to lapse into surplus where they are budgeted subsequently as revenue for tax relief. The district received two new forms of State Aid, PARCC Readiness Aid and Per Pupil Growth Aid; each was funded at \$40,410. While aid did increase in the audit year, it remained depressed below the 2004/2005 school year level of \$5,571,676; the year the district received the greatest amount of state aid. It should be noted that during this time of decreased state aid, the net assessed property value of the township decreased, unemployment increased, and participation in the National School Lunch Program significantly increased.

The district's response to the problems posed by the economic climate was to become more focused on program and to achieve efficiencies wherever possible. For a full understanding of the qualitative nature of strategy, the reader should review the district's Strategic Plan. There are three major financial variables the district can influence, Revenue, Appropriations, and Fund Balance. Each variable is analyzed herein for the time period comprising the audit year.

Revenues:

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

The revenue trend below illustrates that our public schools are becoming increasingly dependent on local funding. This trend will continue and ultimately will be constrained by the 2% statutory property tax limit. The increase in the local taxes below exceeds the 2% limit through the use of "banked cap." Banked cap is created in years when the district does not raise taxes to the 2% limit. The "banked" feature is that the amount not raised may be raised in subsequent years; possibly to hedge against spikes in appropriations or to mitigate the effects of inflation.

GENERAL FUND REVENUE ANALYSIS	2011/2012	2012/2013	2013/2014	2014/2015	Change
Local Revenue in General Fund					
Tax Levy	\$ 57,383,635	\$ 57,542,655	\$ 59,499,325	\$ 60,685,996	\$ 1,186,671
Tuition Revenue	\$ 56,516	\$ 111,907	\$ 132,741	\$ 186,569	\$ 53,828
Interest and Misc. Revenue	\$ 599,861	\$ 228,704	\$ 337,853	\$ 337,205	\$ (648)
Fund Balance & Capital Reserve	\$ 4,935,000	\$ 5,650,000	\$ 4,417,225	\$ 6,320,380	\$ 1,903,155
Local Revenue:	\$ 62,975,012	\$ 63,533,266	\$ 64,387,144	\$ 67,530,150	\$ 3,143,006
State and Federal Revenue in General Fund					
Transportation Aid	\$ 347,957	\$ 598,462	\$ 612,017	\$ 612,017	\$ -
Extraordinary Aid	\$ 222,672	\$ 255,433	\$ 218,389	\$ 259,825	\$ 41,436
Special Education Aid	\$ 2,169,756	\$ 2,329,129	\$ 2,353,591	\$ 2,353,591	\$ -
Security Aid	\$ 403,965	\$ 409,665	\$ 417,886	\$ 417,886	\$ -
Supplemental Transportation Aid	\$ 40,349	\$ 47,822	\$ 40,584	\$ 45,293	\$ 4,709
Other Aid			\$ -	\$ 80,820	\$ 80,820
SEMI	\$ 44,897	\$ 81,336	\$ 55,612	\$ 114,053	\$ 58,441
On Behalf Social Security			\$ -	\$ -	\$ -
On Behalf for Pensions (TPAF)			\$ -	\$ -	\$ -
State and Federal Revenue	\$ 3,229,596	\$ 3,721,847	\$ 3,698,079	\$ 3,883,485	\$ 185,406
TOTAL GENERAL FUND REVENUE	\$ 66,204,608	\$ 67,255,113	\$ 68,085,224	\$ 71,413,635	\$ 3,328,411

Expenditures:

For the reader's consumption, the total General Fund expenditures for the school year ended June 30, 2015 are presented below in two different formats for comparative purposes. To reconcile these figures to the "audited figures" in the "C" Schedule, the reader must subtract from the table deposits into Capital Reserve listed in the schedules below and then add in "On behalf of" payments listed in the audit "C" schedules. The rationale for these "On behalf of" items not being listed in the figures presented below is that the "On behalf of" figures are not part of the district's official budget. Capital Reserve is not actually an expenditure but rather a transfer of assets from one set of district books to another, each supported by offsetting revenues.

The "Budget by Program" table conforms to the typical reporting requirements of the State of New Jersey. This representation of the expenditure classifies expenditures in accordance with the instructional or support services program being supported.

There has been no material fluctuation between the proportions of costs by program. The only outlier that may be observed is the variations found in the district's Capital Outlay account. A large proportion of Capital Outlay funds are shown as expenditures but are actually paid back to the district Repayment of Debt Fund Service. Large portions of the Capital Outlay fund are also supported by the district's Capital Reserve. The importance of these notes is that Capital Outlay does not necessarily drive the district's tax levy.

The "Budget by Object" table classifies expenditures in a manner more familiar to a typical person and answers the question, "What is being purchased."

One may note that 80% of the actual, audited, expenditures occur within the objects of Salaries, Substitutes, and Employee Benefits. One may also note that these costs have, with the exception of "Substitutes," remained stable over the past three years. Substitutes is a highly volatile cost center and is expected to fluctuate within the range associated with the audited figures.

Greater detail for each of these tables is provided online at www.LTPS.org, under the heading, "Budget Central."

The final "Available Balance" and variance for budget purposes may be found in "Exhibit C 1".

SUMMARY BY PROGRAM					
EXPENDITURE BY PROGRAM PURCHASED	ACTUAL 10/11	ACTUAL 11/12	ACTUAL 12/13	ACTUAL 13/14	ACTUAL 14/15
Regular Instruction	20,916,345	20,611,498	21,063,340	21,315,455	21,182,537
Regular Support Services	2,926,841	2,798,015	2,788,784	2,729,623	2,804,081
Special Education	5,061,933	5,020,093	5,301,577	5,455,511	5,464,216
Tuition: Out of District (Sp.Ed.)	1,240,279	1,248,546	1,713,687	1,981,356	2,574,213
Special Ed. Support Services	3,383,719	3,514,971	3,504,637	3,440,220	3,412,978
Attendance/Nurse/Library	1,888,761	1,859,766	1,885,007	1,884,499	1,890,590
Administration	4,121,083	4,381,309	3,936,968	3,940,362	4,086,416
Security	361,508	425,998	472,090	426,987	436,625
Maintenance/Custodial/Utilities	5,648,701	5,509,241	6,013,140	6,195,264	6,698,383
Employee Benefits	10,750,924	10,762,299	10,829,035	10,556,772	10,091,548
Transportation/Busing	2,546,224	2,621,435	2,731,067	2,828,880	3,220,869
Capital Outlay	1,238,039	2,843,309	2,079,257	2,342,075	4,103,658
Capital Reserve	485,466	1,100,000	2,000,000	1,580,000	-
Total	\$ 60,569,823	\$ 62,696,481	\$ 64,318,588	\$ 64,677,005	\$ 65,966,114

SUMMARY BY OBJECT					
EXPENDITURE BY OBJECT PURCHASED	ACTUAL 10/11	ACTUAL 11/12	ACTUAL 12/13	ACTUAL 13/14	ACTUAL 14/15
Salaries/Wages	37,825,990	38,008,542	38,485,301	38,248,420	38,345,506
Substitutes	758,948	821,334	748,952	863,478	857,370
Employee Benefits	10,750,924	10,762,299	10,829,035	10,556,772	10,091,548
Professional Ed. Services	775,388	730,158	795,435	752,030	859,820
Maintenance & Rental Service	1,336,489	1,030,037	1,551,784	1,547,043	2,172,525
Utilities: Gas, Electric	1,132,680	902,443	862,906	1,007,848	952,629
Transportation Contracts	2,185,681	2,218,754	2,400,345	2,485,462	2,741,533
Tuition (Out of District)	1,240,279	1,248,546	1,713,687	1,981,356	2,574,213
Travel/Registrations (PD)	27,655	33,711	62,397	64,195	82,012
Non-Professional Services	456,664	522,364	435,629	474,007	508,542
Supplies/Textbooks	2,255,760	2,239,872	2,239,233	2,665,002	2,559,522
Miscellaneous	99,860	235,112	114,628	109,317	117,236
Capital/Construction/Transfers	1,238,039	2,843,309	2,079,257	2,342,075	4,103,658
Deposit to Capital Reserve	485,466	1,100,000	2,000,000	1,580,000	-
Emergency Reserve	-	-	-	-	-
Maintenance Reserve	-	-	-	-	-
Total	\$ 60,569,823	\$ 62,696,481	\$ 64,318,588	\$ 64,677,005	\$ 65,966,114

Fund Balance (Surplus): General Operating Fund

The variances in the Revenues and Expenditures sections of the CAFR are combined at year end closing into the district’s fund balance(surplus) to determine the new level of fund balance.

The district strives to maintain a surplus that protects cash flow, maintains tax rate stability, and provides adequate funds in the case of emergencies.

Surplus is used to protect cash flow in times when revenue collections are untimely. Untimely revenue collections can occur due to late tax payments or late state aid payments. In times of late revenue payments to the district, the district uses its surplus on a temporary basis to pay obligations until it receives its current revenue. The district’s current surplus listed below is less than one of the district’s 24 payroll obligations. For purposes of example one payroll is \$1,909,000.00 (October 2015). During the 2014/2015 school year the board carried an operating surplus of \$1,557,668.00. Inclusive in the \$1,557,668.00 is “Excess Surplus” in the amount of \$26,210.00 that must be used for tax relief in subsequent years.

At the conclusion of the school year the district’s Undesignated/Unreserved Surplus was \$1,746,175.00. The amount of surplus considered to be “Excess Surplus” was \$181,055.00.

Surplus is also used to maintain tax rate stability. Surplus generated by the district is used to offset tax requirements in subsequent years. The following table illustrates the amount of surplus used as a revenue source over the course of years:

School Year	To General Operations	To Capital Reserve	To Construction
2009/2010	\$ 1,416,348	\$ 2,700,000	\$ -
2010/2011	\$ 1,578,299	\$ 482,000	\$ -
2011/2012	\$ 1,600,000	\$ 1,095,000	\$ -
2012/2013	\$ 1,401,000	\$ 1,999,000	\$ 750,000
2013/2014	\$ 1,101,725	\$ 1,579,000	\$ 236,000
2014/2015	\$ 1,076,872	\$ 2,200,000	\$ 174,208

Source: Budget Work Papers “MDA Data”

As listed in the table above, surplus funds used as revenue are classified in three manners: first, for ongoing operations, second, for deposit into the district's Capital Reserve and finally for construction purposes. It is critical that the district uses surplus consistently and methodically. Careful management of the amounts used for General Operations prevent radical increases and decreases in the need for taxes. The amounts deposited in the district's Capital Reserve Fund are used for two purposes: first, to pay the mortgage on existing debt, and second, to pay the direct cost of ongoing construction expenditures, i.e. new roofs, telephone systems, fiber optic installations, new track. Using the surplus in a strategic manner allows the district to avoid having to increase debt and therefore tax rate.

Source: Note 11

Key financial highlights for the past fiscal year for the Debt Service Fund are as follows:

Debt Administration

On June 30, 2015, the School District had \$27,098,000.00 in outstanding debt. Net bonded debt includes only the principal portion of outstanding long term bonded debt. The following issues remain open until their respective maturity dates:

Referendum	Balance Remaining	Maturity
Technology	Paid off	2013
Early Retirement	\$610,000.00	2016
Windows, Roofs, Asbestos	\$2,265,000.00	2017
Alterations and Additions	\$15,720,000.00*	2023
Photovoltaic Installation	\$8,503,000.00*	2028

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

In 2011 the Board of Education refinanced the "Alterations and Additions" referendum for a total savings of \$899,000. The district anticipates refinancing its debt associated with the Photovoltaic Installation in the Fall 2015 for an anticipated present value savings of \$350,000.

Business-Type Activities: Enterprise Funds

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

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

As reported in Exhibit B-5, the District's business-type activities were comprised of charges for services and federal and state reimbursements. Revenue of Business Type activities directly offsets the need to raise property taxes. The reader of this section of the audit (Exhibit B-5) should be careful to note that while the audit contains a line for "Operating Income (Loss)", it does not contain a line for "Budgeted Fund Balance" which, in all cases for Lawrence Township Public Schools, offsets any loss.

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

Source: Audit Exhibit B-5

Governmental Activities

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

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

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

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

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

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

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

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

Initiatives for Budget Savings:

Shared Services and Cooperative Relationships-

In addition to new initiatives, the School District practices measures to contain costs throughout all spectrums of services currently rendered.

The district participates in a joint purchasing agreement with over 200 New Jersey School districts for supplies and minor construction services. The use of cooperative pricing systems has greatly increased over the past four years and now includes: Mercer County Cooperative Pricing System, Middlesex Regional Educational Services Commission Cooperative Pricing System, Morris County Educational Services Cooperative Pricing System, Mercer County Special Services School District Cooperative Pricing System, The State of New Jersey's cooperative pricing system, "State Contract". The district also participates in separate state-wide consortiums for the purchase of electricity, natural gas, and long distance telephone. Locally, the district participates in transportation consortiums organized by Mercer County Coordinated Transportation Services. Transportation ventures are also undertaken between LTPS and other school districts through direct contracting.

The Lawrence Township Public Schools has become a leader of shared services within Mercer County. In conjunction with Hopewell Township Schools, and East Windsor Township Schools, LTPS has organized districts from Mercer, Hunterdon, and Burlington counties for mandatory safety training and for pupil transportation personnel training, for its non-certified custodial, maintenance, and transportation staff. The district leads an effort that trains over 400 people on an annual basis.

The district continues to meet with various school districts and county government personnel concerning shared technology systems, expertise, and personnel. The district's shared services endeavors are being extended to include telephone systems maintenance with regional governmental entities and corporate interests.

Finally, the school district has a long standing relationship of shared services with the local municipal government. The local municipality and school district assist one another to provide the residents of Lawrence Township with services that make Lawrence Township unique. The district maintains the indoor pool at Lawrence High School and the municipal government staff the facilities with life guards for after school hours use by the community. The District also houses both the adult "Night Programs" and the "Summer Programs" operated by the Township's Recreation Department. Throughout the year, the District also provides facilities to the residents of Lawrence Township for special community wide functions.

In addition to shared services, the district also continually strives to save resources and then reinvest those resources in educational programs. Most recently the district has supplanted services formerly purchased from utility companies in favor of providing the services "in-house." The district has displaced services formerly rendered by PSE&G and Verizon. In order to decrease these formerly ongoing costs the district installed over 6,000 solar panels on its roof thereby producing 25% of the electricity needed to power the district. The district also completed a project whereby fiber optic lines were run from all schools, save Lawrenceville Elementary, to Lawrence High School. The fiber optic lines eliminate the need for individual high speed lines from the schools to Verizon.

The district's Facilities Department and municipality's Public Works Department (PWD) work closely with one another throughout the school year. The two units share both equipment and resources. The PWD provides the district with salt during snow storms while the district plows its own lots. Both organizations share grounds maintenance tools.

Grants and Cooperative Relationships-

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

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

In 2012, the district applied for a grant from PSE&G to retrofit lighting throughout the schools, install motion detectors, and install select HVAC upgrades. This grant provided 80% of the funding necessary to complete the retrofit/install and will save the district \$75,000 annually. The return on investment is 1.3

years. During the summer of 2015 the district received grants underwritten by the New Jersey Office of Clean Energy, Direct Install Program, for the purpose of installing LED site lighting. Installations were completed at Ben Franklin and Lawrenceville Elementary schools. The grants for each school covered 70% of the costs and had a 1.55 year return on investment.

Enterprise Funds-

In addition to grants and shared services the district continued its successful operation of enterprise funds. Enterprise funds are fee based businesses operated by the district to serve express purposes. While the enterprise funds are not allowed to exist to make a profit, they can assist in paying for overhead costs that serve their purpose as well as those costs typically funded by the district during normal operations. Currently the district operates the following enterprise funds: Extended Day Program, Cafeteria Program, Educational Technology and Training Center, Professional Development Academy, Reading Recovery Training Center, Driver's Education, Building Use Program. At the conclusion of the 2009/2010 school year, the district ceased to operate the Extended Day program and instead leased the space for a fee to an outside organization. The revenue from the lease will be used to offset local property taxes.

Internal Controls:

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

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

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

Budgetary Controls:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations in the fund balance at June 30.

Accounting Systems & Reports:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized

on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

Cash Management:

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

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. The Insurance schedule for the fiscal year is prepared by G.R. Murray Insurance, Division of O'Gorman & Young Inc., Princeton, NJ. The insurance schedule for the reportable year is listed in the Statistical Section of the CAFR.

Independent Audit:

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report, or need additional information, please contact Thomas Eldridge, Business Administrator, 2565 Princeton Pike, Lawrenceville, NJ 08648. Telephone calls are welcome at 609-671-5420.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	355,469	355,469
Receivables, Net	2,213,330	41,768	2,255,098
Inventory		33,034	33,034
Restricted Assets:			
Cash and Cash Equivalents	8,218,953		8,218,953
Capital Reserve Account - Cash	2,647,216		2,647,216
Capital Assets-Non-Depreciable	32,622,900		32,622,900
Capital Assets-Depreciable-Net	90,704,014	312,475	91,016,489
Total Assets	<u>136,406,413</u>	<u>742,746</u>	<u>137,149,159</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>1,681,223</u>		<u>1,681,223</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>1,234,969</u>		<u>1,234,969</u>
<u>Liabilities</u>			
Accounts Payable	417,538	91,958	509,496
Accrued Interest	430,782		430,782
Deferred Revenue	173,637		173,637
Noncurrent Liabilities:			
Due Within One Year	3,366,797		3,366,797
Due Beyond One Year	46,164,831		46,164,831
Total Liabilities	<u>50,553,585</u>	<u>91,958</u>	<u>50,645,543</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	95,336,532	312,475	95,649,007
Restricted For:			
Debt Service	50,943		50,943
Special Revenue	9,012		9,012
Capital Projects	2,925,300		2,925,300
Other Purposes	8,166,448		8,166,448
Unrestricted	<u>(20,189,153)</u>	<u>338,313</u>	<u>(19,850,840)</u>
Total Net Position	<u>\$ 86,299,082</u>	<u>650,788</u>	<u>86,949,870</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 17,890,178			(17,890,178)		(17,890,178)
Special Education	7,994,040		2,529,824	(5,464,216)		(5,464,216)
Other Special Instruction	2,247,839			(2,247,839)		(2,247,839)
Other Instruction	978,605			(978,605)		(978,605)
Support Services:						
Tuition	2,572,120	186,659		(2,385,461)		(2,385,461)
Student & Instruction Related Services	8,665,016		562,003	(8,103,013)		(8,103,013)
School Administrative Services	631,209			(631,209)		(631,209)
General and Business Administrative Services	3,455,208			(3,455,208)		(3,455,208)
Plant Operations and Maintenance	7,135,008			(7,135,008)		(7,135,008)
Pupil Transportation	3,220,869			(3,220,869)		(3,220,869)
Business and Other Support Services	15,815,776			(15,815,776)		(15,815,776)
Charter Schools	2,093			(2,093)		(2,093)
Interest on Long-Term Debt	1,189,501			(1,189,501)		(1,189,501)
Unallocated Depreciation	5,104,807			(5,104,807)		(5,104,807)
Total Government Activities	76,902,269	186,659	3,091,827	(73,623,783)	-	(73,623,783)
Business-Type Activities:						
Proprietary Funds	1,568,659	869,957	569,519		(129,183)	(129,183)
Total Business-Type Activities	1,568,659	869,957	569,519	-	(129,183)	(129,183)
Total Primary Government	78,470,928	1,056,616	3,661,346	(73,623,783)	(129,183)	(73,752,966)

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes			
Property Taxes, Levied for General Purpose, Net	60,685,996		60,685,996
Taxes Levied for Debt Service	2,364,718		2,364,718
Federal and State Aid Not Restricted	11,909,412		11,909,412
Other	33,865	11,494	45,359
Miscellaneous Income	602,639		602,639
Total General Revenues, Special Items, and Transfers	<u>75,596,630</u>	<u>11,494</u>	<u>75,608,124</u>
Change in Net Position	1,972,847	(117,689)	1,855,158
Restatement for Pension	(20,722,846)		(20,722,846)
Net Position - Beginning	<u>105,049,081</u>	<u>768,477</u>	<u>105,817,558</u>
Net Position - Ending	<u>\$ 86,299,082</u>	<u>650,788</u>	<u>86,949,870</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET**GOVERNMENTAL FUNDS****JUNE 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and Cash Equivalents-Restricted	\$ 8,859,513	133,118	1,822,595	50,943	10,866,169
Receivables, Net	437,850	446,080	1,329,400		2,213,330
Interfund Receivable	250,000				250,000
Total Assets	\$ 9,547,363	579,198	3,151,995	50,943	13,329,499
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ 23,670	164,573	229,295		417,538
Interfund Payable		250,000			250,000
Deferred Revenue		173,637			173,637
Total Liabilities	23,670	588,210	229,295	-	841,175
Fund Balance:					
Restricted for:					
Excess Surplus - Designated for Subsequent					
Year's Expenditures	26,210				26,210
Excess Surplus - Current Year	181,055				181,055
Committed To:					
Maintenance Reserve	266,924				266,924
Emergency Reserve	200,000				200,000
Designated for Subsequent					
Years Expenditures-Capital Reserve	500,000				500,000
Capital Reserve Account	2,647,416				2,647,416
Assigned To:					
Other Purposes	2,304,843				2,304,843
Designated By The BOE for Subsequent					
Years Expenditures	2,040,000				2,040,000
Capital Fund			2,922,700		2,922,700
Debt Service Fund				50,943	50,943
Unassigned:					
Special Revenue Fund		(9,012)			(9,012)
General Fund	1,357,245				1,357,245
Total Fund Balances	9,523,693	(9,012)	2,922,700	50,943	12,488,324
Total Liabilities and Fund Balance	\$ 9,547,363	579,198	3,151,995	50,943	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$168,098,696 and the accumulated depreciation is \$44,771,782

123,326,914

Accrued Interest

(430,782)

Deferred outflow of resources - contributions to the pension plan

1,681,223

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(1,234,969)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds

(49,531,628)

Net Position of governmental activities

\$ 86,299,082

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit B-2
Sheet 1 of 2**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 60,685,996			2,364,718	63,050,714
Tuition Charges	186,659				186,659
Miscellaneous	336,845	326,867		207,000	870,712
Total Local Sources	61,209,500	326,867	-	2,571,718	64,108,085
State Sources	9,863,897	968,415		685,262	11,517,574
Federal Sources	114,053	1,855,339	1,246,200		3,215,592
Total Revenues	71,187,450	3,150,621	1,246,200	3,256,980	78,841,251
<u>Expenditures</u>					
Current:					
Regular Instruction	17,890,178				17,890,178
Special Education Instruction	5,464,216	2,529,824			7,994,040
Other Special Instruction	2,247,839				2,247,839
Other Instruction	978,605				978,605
Support Services and Undistributed Costs:					
Tuition	2,572,120				2,572,120
Student and Instruction Related Services	8,107,649	557,367			8,665,016
General Administrative Services	631,209				631,209
Other Administrative Services	3,455,208				3,455,208
Plant Operations and Maintenance	7,135,008				7,135,008
Pupil Transportation	3,220,869				3,220,869
Unallocated Benefits	16,200,542				16,200,542
Debt Service:					
Principal				3,065,000	3,065,000
Interest and Other Charges				1,227,480	1,227,480
Charter Schools	2,093				2,093
Capital Outlay	1,317,558	4,636	389,660		1,711,854
Total Expenditures	69,223,094	3,091,827	389,660	4,292,480	76,997,061

LAWRENCE TOWNSHIP SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Exhibit B-2
Sheet 2 of 2

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,964,356</u>	<u>58,794</u>	<u>856,540</u>	<u>(1,035,500)</u>	<u>1,844,190</u>
Other Financing Sources (Uses):					
Contribution to Special Revenue	(65,915)				(65,915)
Prior Year Adjustment			99,780		99,780
Capital Reserve to Debt Service	(1,000,000)			1,000,000	-
Capital Reserve to Capital Projects	<u>(1,786,100)</u>		<u>1,786,100</u>		
Total Other Financing Sources (Uses)	<u>(2,852,015)</u>	<u>-</u>	<u>1,885,880</u>	<u>1,000,000</u>	<u>33,865</u>
Net Change in Fund Balances	(887,659)	58,794	2,742,420	(35,500)	1,878,055
Fund Balance - July 1	<u>10,411,352</u>	<u>(67,806)</u>	<u>180,280</u>	<u>86,443</u>	<u>10,610,269</u>
Fund Balance - June 30	<u>\$ 9,523,693</u>	<u>(9,012)</u>	<u>2,922,700</u>	<u>50,943</u>	<u>12,488,324</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 1,878,055
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Capital Outlay	1,711,854
Depreciation Expense	<u>(5,104,807)</u>
	(3,392,953)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	3,065,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,681,223
Pension related deferrals	(1,234,969)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due. The accrued interest is an addition in the reconciliation.	37,979
Compensated Absences	<u>(61,488)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,972,847</u>

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

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Business-type Activities Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 355,469
Accounts Receivable:	
State	1,234
Federal	40,534
Inventory	33,034
Total Current Assets	<u>430,271</u>
Noncurrent Assets:	
Equipment	658,860
Accumulated Depreciation	(346,385)
Total Noncurrent Assets	<u>312,475</u>
Total Assets	<u>\$ 742,746</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	<u>\$ 91,958</u>
Total Liabilities	<u>\$ 91,958</u>
<u>Net Position</u>	
Investment in Capital Assets	\$ 312,475
Unrestricted	<u>338,313</u>
Total Net Position	<u>\$ 650,788</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2015

	<u>Business-type Activities Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs:	
School Lunch Program	\$ 818,496
Fees	51,461
Total Operating Revenues	<u>869,957</u>
Operating Expenses:	
Salaries & Benefits	85,615
Supplies and Materials	39,089
Depreciation	34,716
Miscellaneous	54,583
Cost of Purchased Services	1,315,794
Management Fee	38,862
Total Operating Expenses	<u>1,568,659</u>
Operating Income (Loss)	<u>(698,702)</u>
Non-Operating Revenues:	
State Sources:	14,761
State School Lunch Program	
Federal Sources:	
National School Lunch Program	409,862
HHFKA Lunch Program	18,122
School Breakfast Program	29,806
Commodities	96,968
Total Non-Operating Revenues	<u>569,519</u>
Net Income (Loss)	(129,183)
Adjustment for Fixed Assets	11,494
Net Position, July 1	<u>768,477</u>
Net Position, June 30	<u>\$ 650,788</u>

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

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

JUNE 30, 2015

	Business-type Activities Enterprise Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 869,957
Payments for Salaries	(85,615)
Payments for Other Costs	(1,267,662)
Net Cash Used By Operating Activities	<u>(483,320)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received From State and Federal Reimbursements	472,551
Net Cash Provided Noncapital Financing Activities:	<u>472,551</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(10,769)
Cash and Cash Equivalents, July 1	<u>366,238</u>
Cash and Cash Equivalents, June 30	<u>\$ 355,469</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (698,702)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	34,716
Commodities	96,968
Decrease/(Increase) in Inventory	872
(Increase)/Decrease in Accounts Receivable	(7,683)
Increase/(Decrease) in Accounts Payable	90,509
Net Cash Used By Operating Activities	<u>\$ (483,320)</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDS

JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Payroll Agency</u>	<u>Private Purpose Scholarship Fund</u>	<u>Summer Savings</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 470,887</u>	<u>348,548</u>	<u>35,180</u>	<u>1,155,158</u>
Total Assets	<u><u>\$ 470,887</u></u>	<u><u>348,548</u></u>	<u><u>35,180</u></u>	<u><u>1,155,158</u></u>
Net Position:				
Accrued Salaries - Summer Savings	\$ -			1,155,158
Payroll Withholding		348,548		
Held in Trust for Unemployment Claims and Other Purposes	470,887			
Reserved for Scholarships			35,180	
Total Net Position	<u><u>\$ 470,887</u></u>	<u><u>348,548</u></u>	<u><u>35,180</u></u>	<u><u>1,155,158</u></u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****Exhibit B-8****FIDUCIARY FUNDS****FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<u>Additions</u>		
Contributions:		
Other	\$ 85,000	450
Total Contributions	<u>85,000</u>	<u>450</u>
Investment Earnings:		
Interest		
Net Investment Earnings	<u>-</u>	<u>-</u>
Total Additions	<u>85,000</u>	<u>450</u>
<u>Deductions</u>		
Scholarships Awarded		2,450
Total Deductions	<u>-</u>	<u>2,450</u>
Change in Net Position	85,000	(2,000)
Net Position - Beginning of the Year	<u>385,887</u>	<u>37,180</u>
Net Position - End of the Year	<u>\$ 470,887</u>	<u>35,180</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION

LAWRENCE TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Lawrence Township School District is a Type II district located in the County of Mercer, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades PreK-12. The Lawrence Township School District had an approximate enrollment at June 30, 2015 of 4,030 students.

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

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

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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

D. Fund Accounting:

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

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

Fiduciary Fund Types

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

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

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

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

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

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

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

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

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

F. Encumbrances:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

I. Capital Assets and Depreciation

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

The District performed an in-house asset valuation during the 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2002-2003 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2003, fiscal year 2003 depreciation expense, total accumulated depreciation and book values were also provided. The records have updated annually through June 30, 2015. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

Capital asset activity for the year ended June 30, 2015 was as follows:

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities:					
Capital Assets That are Not Being Depreciated:					
Land	\$ 32,622,900				32,622,900
Construction in Progress					
Total	<u>32,622,900</u>				<u>32,622,900</u>
Depreciable Assets:					
Buildings	120,964,382	750,000			121,714,382
Machinery & Equipment	<u>13,511,919</u>	<u>249,495</u>			<u>13,761,414</u>
Total	<u>134,476,301</u>	<u>999,495</u>			<u>135,475,796</u>
Less: Accumulated Depreciation:					
Buildings	(26,532,628)	(4,057,161)			(30,589,789)
Machinery & Equipment	<u>(13,134,347)</u>	<u>(1,047,646)</u>			<u>(14,181,993)</u>
Total Accumulated Depreciation	<u>(39,666,975)</u>	<u>(5,104,807)</u>			<u>(44,771,782)</u>
Net Depreciable Assets	<u>94,809,326</u>	<u>(4,105,312)</u>			<u>90,704,014</u>
Governmental Activities Capital Assets (Net)	<u>\$ 127,432,226</u>	<u>(4,105,312)</u>			<u>123,326,914</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years'</u> <u>Accumulated</u> <u>Depreciation</u>	<u>Current Year</u> <u>Depreciation</u> <u>Expense</u>	<u>Adjustments</u>	<u>Total</u> <u>Accumulated</u> <u>Depreciation</u>
Instruction	\$ 4,998,472	1,783,098		6,781,570
Support Services	3,069,375	1,069,858		4,139,233
Unallocated	<u>31,599,128</u>	<u>2,251,851</u>		<u>33,850,979</u>
	<u>\$ 39,666,975</u>	<u>5,104,807</u>		<u>44,771,782</u>

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>
Business-Type Activities:				
Equipment	\$ 647,366	11,494		658,860
Less: Accumulated Depreciation:				
Equipment	<u>(311,669)</u>	<u>(34,716)</u>		<u>(346,385)</u>
Business-Type Capital Assets (Net)	<u>\$ 335,697</u>	<u>(23,222)</u>		<u>312,475</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)**J. Compensated Absences**

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

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

K. Deferred Revenue

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

L. Fund Equity

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

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

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

Deposits (Continued)

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

Investments

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

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

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash
	<u>Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 12,586,144</u>

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2015 was \$12,586,144 and the bank balance was \$14,639,154. Of the bank balance, \$500,000 was covered by federal depository insurance and \$14,139,154 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

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

FDIC	\$ 500,000
GUPDA	<u>14,139,154</u>
	<u>\$ 14,639,154</u>

As of June 30, 2015, the District did not hold any long-term investments.

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

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

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance			Balance	Long-Term	2015-16
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>	<u>Portion</u>	<u>Payment</u>
Compensated Absences Payable	\$ 1,087,694	61,488		1,149,182	1,149,182	
Capital Leases		681,600	120,000	561,600	389,803	171,797
Bonds Payable	30,163,000		3,065,000	27,098,000	23,903,000	3,195,000
Pension Liability	<u> </u>	<u>20,722,846</u>	<u> </u>	<u>20,722,846</u>	<u>20,722,846</u>	<u> </u>
Total	<u>\$ 31,250,694</u>	<u>21,465,934</u>	<u>3,185,000</u>	<u>49,531,628</u>	<u>46,164,831</u>	<u>3,366,797</u>

A. Bonds Payable

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

1. Refunding pension bonds for \$3,270,000 at 5.0% to 5.3% interest with a balance of \$610,000 maturing 7-15-16.
2. School improvements for \$9,800,000 at 3.75% to 4.00% interest with a balance of \$2,265,000 maturing 3-1-17.
3. Solar improvements for \$10,508,000 at 4.25% to 4.375% interest with a balance of \$8,503,000 maturing 7-15-28.
4. Refunding issue of 3-1-12 for \$18,450,000 at 4% maturing 3-1-23 with a balance of \$15,220,000 at 6-30-13.

NOTE 3: General Long-Term Debt (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2015-2016	\$ 3,195,000	1,107,350	4,302,350
2016-2017	3,770,000	981,542	4,751,542
2017-2018	2,380,000	857,669	3,237,669
2018-2019	2,475,000	770,443	3,245,443
2019-2020	2,575,000	678,513	3,253,513
2020/21-2024/25	9,760,000	1,643,467	11,403,467
2025/26-2028/29	<u>2,943,000</u>	<u>264,272</u>	<u>3,207,272</u>
	<u>\$ 27,098,000</u>	<u>6,303,256</u>	<u>33,401,256</u>

NOTE 4: Pension Plans

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

Teachers’ Pension and Annuity Fund (TPAF) – The Teachers’ Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers’ Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system’s other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

NOTE 4: Pension Plans (Continued)

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

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

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/15	\$ 933,333	100%	0
6/30/14	857,919	100%	0
6/30/13	897,866	100%	0

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/15	\$ 4,011,298	100%	0
6/30/14	3,172,250	100%	0
6/30/13	4,091,062	100%	0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$4,011,298 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,097,696 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 24.

Pension Expense Deferred Outflows/Inflows – PERS

For the year ended June 30, 2015, the District recognized pension expense of \$933,333. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred</u> <u>Inflows</u> <u>of Resources</u>
Difference Between Expected and Actual Experience	\$	
Changes of Assumptions	651,638	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,234,969
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	96,252	
District Contributions Subsequent to the Measurement Date	<u>933,333</u>	<u> </u>
Total	<u>\$ 1,681,223</u>	<u>1,234,969</u>

NOTE 4: Pension Plans (Continued)

\$1,681,223 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at December 31, 2013 and 2014 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective Deferred Outflows of Resources	\$ 1,681,223	
Collective Deferred Inflows of Resources	1,234,969	
Collective Net Pension Liability	20,722,846	21,039,735
District's Proportion	.11068%	.11009%

Components of Net Pension Liability

The components of the net pension liability of the participating employers for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%

	<u>2013</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 27,515,277,069	37,272,295,162	64,787,572,231
Plan Fiduciary Net Position	<u>8,216,653,950</u>	<u>18,160,308,251</u>	<u>26,376,962,201</u>
Net Pension Liability	<u>\$ 19,298,623,119</u>	<u>19,111,986,911</u>	<u>38,410,610,030</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.86%	48.72%	40.71%

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

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

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. 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 through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to 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 participating employers as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2014		
	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>
	2013		
	At 1% Decrease (4.55%)	At Current Discount Rate (5.55%)	At 1% Increase (6.55%)
State	\$ 22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
Total	<u>\$ 46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

NOTE 4: Pension Plans (Continued)**Teachers Pensions and Annuity Fund (TPAF)****Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 81,095,320,000	76,678,639,671
Plan Fiduciary Net Position	<u>27,282,252,461</u>	<u>25,888,126,040</u>
Net Pension Liability	<u>\$ 53,813,067,539</u>	<u>50,790,513,631</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2014</u>	<u>2013</u>
District's Liability	<u>\$ 151,832,317</u>	<u>150,174,286</u>
District's Proportion	.28215%	.29567%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvements. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

NOTE 4: Pension Plans (Continued)**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. 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 through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 4: Pension Plans (Continued)

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

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the State’s net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2014 (3.68%, 4.68%, 5.68%)	\$ 64,722,984,539	53,813,067,539	44,738,870,539
2013 (3.95%, 4.95%, 5.95%)	61,017,578,926	50,790,513,631	42,351,665,847

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers’ Pensions and Annuity Fund (TPAF) and the Public Employees’ Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 6: Deferred Compensation

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

- Equitable
- Lincoln
- Met Life
- Valic
- Legend

NOTE 7: Risk Management

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

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

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

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2014-2015	\$ 85,000	0	0	470,887
2013-2014	14*	185,000	0	385,887
2012-2013	20*	0	0	200,873

*Interest

NOTE 8: Capital Reserve Account

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

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

NOTE 8: Capital Reserve Account (Continued)

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014		\$ 3,607,233
Deposits:		
Interest	26,283	
Board Resolution	<u>1,800,000</u>	
		<u>1,826,283</u>
		5,433,516
Withdrawals:		
For Capital Projects	1,786,100	
For Debt Service	<u>1,000,000</u>	
		<u>2,786,100</u>
Ending Balance, June 30, 2015		<u>\$ 2,647,416</u>

NOTE 9: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2015.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 250,000	
Special Revenue		250,000

NOTE 10: Fund Balance Appropriated

General Fund – Of the \$9,731,568 General Fund fund balance at June 30, 2015, \$2,304,843 is reserved for encumbrances; \$2,040,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$26,210 is excess surplus designated for subsequent year's expenditures; \$181,055 is excess surplus – current year; \$500,000 is capital reserve designated for subsequent years expenditures; \$2,647,416 is in capital reserve, \$200,000 is in emergency reserve, \$266,924 is in Maintenance Reserve; \$1,565,120 is unreserved and undesignated.

NOTE 11: Calculation of Excess Surplus

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

NOTE 11: Calculation of Excess Surplus (Continued)

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2014-2015 budget and expended there from.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Lawrence Township at June 30, 2015 had excess surplus of \$181,055 (see calculation below).

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

The calculation of reserved excess surplus is as follows:

2% Calculation of Excess Surplus

2014-15 Total General Fund Expenditures Per the CAFR	\$ 69,223,094
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(6,108,994)</u>
Adjusted 2014-15 General Fund Expenditures	<u>\$ 63,114,100</u>
2% of Adjusted 2014-15 General Fund Expenditures	\$ 1,262,282
Increased by: Allowable Adjustment	<u>302,838</u>
Maximum Unassigned Fund Balance	<u>\$ 1,565,120</u>

Section 2

Total General Fund – Fund Balance @ 6-30-15	\$ 9,731,568
Decreased by:	
Reserved for Encumbrances	(2,304,843)
Designated for Subsequent Year's Expenditures	(2,040,000)
Designated for Subsequent Year's Expenditures – Capital Reserve	(500,000)
Other Reserves	(3,114,340)
Excess Surplus Designated for Subsequent Years Expenditures	<u>(26,210)</u>
	<u>(7,985,393)</u>
Total Unassigned Fund Balance	<u>\$ 1,746,175</u>
Current Year Excess Surplus	<u>\$ 181,055</u>

Section 3

Excess Surplus	\$ 124,015
Designated for Subsequent Years Expenditures	<u>26,210</u>
	<u>\$ 150,225</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$ 257,545
Non-Public Transportation Aid	<u>45,293</u>
	<u>\$ 302,838</u>

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

Maintenance Reserve	\$ 266,924
Emergency Reserve	200,000
Capital Reserve	<u>2,647,416</u>
Total Other Restricted Fund Balance	<u>\$ 3,114,340</u>

NOTE 12: Section 125 IRS Code (Cafeteria Plan)

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

NOTE 13: Contingent Liabilities

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

NOTE 14: Economic Dependency

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

NOTE 15: Current Expense Emergency Reserve Account

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

NOTE 16: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2015. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

NOTE 16: Significant Accounting Pronouncements (Continued)

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2015 through December 3, 2015.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 60,685,996		60,685,996	60,685,996	-
Tuition	50,000		50,000	186,659	136,659
Interest on Investments	3,000		3,000	5,677	2,677
Miscellaneous	126,725		126,725	331,528	204,803
Total Local Sources	<u>60,865,721</u>	<u>-</u>	<u>60,865,721</u>	<u>61,209,860</u>	<u>344,139</u>
State Sources:					
Special Education Aid	2,353,591		2,353,591	2,353,591	-
Security Aid	417,886		417,886	417,886	-
Transportation Aid	612,017		612,017	612,017	-
PARCC Readiness Aid	40,410		40,410	40,410	-
Per Pupil Growth Aid	40,410		40,410	40,410	-
Extraordinary Aid				257,545	257,545
Extraordinary Aid - 2013-2014			-	2,280	2,280
Non Public Transportation Aid			-	45,293	45,293
On Behalf TPAF Pension Contributions (Non-Budgeted)			-	4,011,298	4,011,298
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,097,696	2,097,696
Total State Sources	<u>3,464,314</u>	<u>-</u>	<u>3,464,314</u>	<u>9,878,426</u>	<u>6,414,112</u>
Federal Sources:					
Medicaid Reimbursement	38,685		38,685	25,456	(13,229)
ARRA-Semi				24,417	24,417
Medicaid Reimbursement -2013-2014				64,180	64,180
Total Federal Sources	<u>38,685</u>	<u>-</u>	<u>38,685</u>	<u>114,053</u>	<u>75,368</u>
Total Revenues	<u>64,368,720</u>	<u>-</u>	<u>64,368,720</u>	<u>71,202,339</u>	<u>6,833,619</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 2 of 15**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool-Salaries of Teachers	144,190	75,249	219,439	178,588	40,851
Kindergarten-Salaries of Teachers	1,019,907	45	1,019,952	880,733	139,219
Grades 1-5-Salaries of Teachers	6,371,250	147,705	6,518,955	6,108,524	410,431
Grades 6-8-Salaries of teachers	3,257,176		3,257,176	3,032,078	225,098
Grades 9-12-Salaries of teachers	5,602,613	40,921	5,643,534	5,421,726	221,808
Regular Programs Undistributed - Instruction:					
Other Salaries for Instruction	543,198	72,033	615,231	551,119	64,112
Purchased Professional/Educational Services	61,425	(20,133)	41,292	40,887	405
Other Purchased Services	73,195	156,973	230,168	229,748	420
General Supplies	1,520,487	(221,695)	1,298,792	1,194,738	104,054
Textbooks	254,206	20,445	274,651	196,834	77,817
Other Objects	14,214	(878)	13,336	11,421	1,915
Home Instruction:					
Teachers Salaries	30,000	(7,451)	22,549	22,392	157
Purchased Professional/Educational Services	18,000	15,500	33,500	21,390	12,110
Total Regular Programs-Instruction	<u>18,909,861</u>	<u>278,714</u>	<u>19,188,575</u>	<u>17,890,178</u>	<u>1,298,397</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 3 of 15**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Behavioral Disabilities:					
Salaries of Teachers	191,392	4,114	195,506	175,506	20,000
Other Salaries For Instruction	143,969	(7,380)	136,589	131,589	5,000
General Supplies	1,200	(401)	799	799	-
Total Behavioral Disabilities	<u>336,561</u>	<u>(3,667)</u>	<u>332,894</u>	<u>307,894</u>	<u>25,000</u>
Multiple Disabilities:					
Salaries of Teachers	912,796	(18,144)	894,652	880,802	13,850
Other Salaries for Instruction	505,240	55,868	561,108	556,108	5,000
General Supplies	11,850	(2,152)	9,698	9,698	-
Total Multiple Disabilities	<u>1,429,886</u>	<u>35,572</u>	<u>1,465,458</u>	<u>1,446,608</u>	<u>18,850</u>
Resource Room/Resource Center:					
Salaries of Teachers	3,077,477	(244,580)	2,832,897	2,832,829	68
Other Salaries for Instruction	535,343	(115,909)	419,434	413,980	5,454
Purchased Professional Educational Services	10,000	(10,000)	-	-	-
General Supplies	17,881	80	17,961	17,956	5
Textbooks	3,526	(3,098)	428	428	-
Total Resource Room/Resource Center	<u>3,644,227</u>	<u>(373,507)</u>	<u>3,270,720</u>	<u>3,265,193</u>	<u>5,527</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	199,101	38,069	237,170	222,170	15,000
Other Salaries for Instruction	90,924	(15,859)	75,065	67,559	7,506
General Supplies	6,000	250	6,250	6,250	-
Total Preschool Handicapped	<u>296,025</u>	<u>22,460</u>	<u>318,485</u>	<u>295,979</u>	<u>22,506</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Preschool Disabilities-Full Time					
Salaries of Teachers	60,359	(1,771)	58,588	40,574	18,014
Other Salaries for Instruction	107,440		107,440	102,423	5,017
General Supplies	5,550	(5)	5,545	5,545	-
Total Preschool Handicapped	<u>173,349</u>	<u>(1,776)</u>	<u>171,573</u>	<u>148,542</u>	<u>23,031</u>
Academic Support Instruction					
Salaries of Teachers	1,722,413	28,925	1,751,338	1,711,338	40,000
General Supplies	9,698	(3,779)	5,919	5,919	-
Total Academic Support Instruction	<u>1,732,111</u>	<u>25,146</u>	<u>1,757,257</u>	<u>1,717,257</u>	<u>40,000</u>
Total Special Education	<u>7,612,159</u>	<u>(295,772)</u>	<u>7,316,387</u>	<u>7,181,473</u>	<u>134,914</u>
Bilingual Education:					
Salaries of Teachers	540,610	2,414	543,024	526,465	16,559
General Supplies	4,483	(960)	3,523	3,523	-
Textbooks	1,515	(921)	594	594	-
Total Bilingual Education	<u>546,608</u>	<u>533</u>	<u>547,141</u>	<u>530,582</u>	<u>16,559</u>
School Sponsored Co-Curricular Activities:					
Salaries	135,422		135,422	127,699	7,723
Other Purchased Services	17,450	(4,143)	13,307	12,782	525
Supplies and Materials	41,925	(14,743)	27,182	20,665	6,517
Other Objects	17,046	(5,531)	11,515	3,665	7,850
Total School Sponsored Co-Curricular Activities	<u>211,843</u>	<u>(24,417)</u>	<u>187,426</u>	<u>164,811</u>	<u>22,615</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 15**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
School Sponsored Athletics:					
Salaries	428,110	5,557	433,667	430,136	3,531
Salaries of Secretarial & Clerical	59,396		59,396	57,799	1,597
Other Purchased Services	79,250	(20,603)	58,647	56,803	1,844
Supplies and Materials	93,500	(1,695)	91,805	91,489	316
Other Objects	14,435	2,083	16,518	16,518	-
Total School Sponsored Athletics	<u>674,691</u>	<u>(14,658)</u>	<u>660,033</u>	<u>652,745</u>	<u>7,288</u>
After School Programs:					
Salaries of Teachers	37,245	1,471	38,716	34,073	4,643
Other Salaries For Instruction	39,509	9,500	49,009	43,981	5,028
Supplies and Materials	1,480	(377)	1,103	991	112
Total After School Programs	<u>78,234</u>	<u>10,594</u>	<u>88,828</u>	<u>79,045</u>	<u>9,783</u>
Summer School Programs					
Salaries of Teachers	<u>15,000</u>		<u>15,000</u>	<u>14,839</u>	<u>161</u>
Total Summer School Programs	<u>15,000</u>		<u>15,000</u>	<u>14,839</u>	<u>161</u>
Community Service Programs:					
Salaries	31,821	(9,801)	22,020	16,507	5,513
Purchased Professional Educational Services	56,448		56,448	49,939	6,509
Supplies and Materials	<u>3,000</u>	<u>900</u>	<u>3,900</u>	<u>719</u>	<u>3,181</u>
Total Community Service Programs	<u>91,269</u>	<u>(8,901)</u>	<u>82,368</u>	<u>67,165</u>	<u>15,203</u>
Total Instruction	<u>28,139,665</u>	<u>(53,907)</u>	<u>28,085,758</u>	<u>26,580,838</u>	<u>1,504,920</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

Sheet 6 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - Regular	262,500	(102,027)	160,473	157,266	3,207
Tuition to Other LEA's - Special		6,934	6,934	6,934	-
Tuition to County Special Services - Regular	48,750	(14,250)	34,500	34,500	-
Tuition to County Special Services - Special	30,000	7,500	37,500	37,500	-
Tuition to CSSD & Regular Day Schools	1,436,380	(175,414)	1,260,966	1,260,966	-
Tuition to Private Schools - Within State	767,931	116,164	884,095	884,095	-
Tuition to Private Schools - Outside State	65,000	50,663	115,663	106,108	9,555
Tuition - State Facilities	32,306		32,306	32,306	-
Tuition - Other	53,335	(890)	52,445	52,445	-
Total Instruction	<u>2,696,202</u>	<u>(111,320)</u>	<u>2,584,882</u>	<u>2,572,120</u>	<u>12,762</u>
Attendance & Social Work Services:					
Salaries	246,892		246,892	240,707	6,185
Purchased Professional and Technical Services	31,323	(473)	30,850	30,850	-
Total Attendance & Social Work Services	<u>278,215</u>	<u>(473)</u>	<u>277,742</u>	<u>271,557</u>	<u>6,185</u>
Health Services:					
Salaries	742,772	(10,430)	732,342	694,139	38,203
Purchased Professional and Technical Services	2,610	(500)	2,110	2,033	77
Other Purchased Services	42,740	(20,102)	22,638	14,251	8,387
Supplies and Materials	28,534	13,304	41,838	40,547	1,291
Total Health Services	<u>816,656</u>	<u>(17,728)</u>	<u>798,928</u>	<u>750,970</u>	<u>47,958</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

Sheet 7 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Other Support Services - Students - Related:					
Salaries	1,173,091	(3,969)	1,169,122	1,083,034	86,088
Purchased Professional Educational Services	386,300	16,608	402,908	370,051	32,857
Supplies and Materials	7,120	(384)	6,736	6,601	135
Total Other Support Services - Student - Related	<u>1,566,511</u>	<u>12,255</u>	<u>1,578,766</u>	<u>1,459,686</u>	<u>119,080</u>
Other Support Services - Extraordinary:					
Salaries	247,771		247,771	155,595	92,176
Purchased Professional Educational Services	275	(275)	-		-
Total Other Support Services - Extraordinary	<u>248,046</u>	<u>(275)</u>	<u>247,771</u>	<u>155,595</u>	<u>92,176</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	1,236,740		1,236,740	1,171,669	65,071
Salaries - Secretarial and Clerical	212,716		212,716	206,957	5,759
Other Salaries for Instruction	1,200	(600)	600		600
Purchased Professional Educational Services	500	(500)	-		-
Other Purchased Services	11,400	(1,252)	10,148	9,548	600
Supplies and Materials	7,100	249	7,349	6,501	848
Other Objects	1,260		1,260	1,239	21
Total Other Support Services - Students - Regular	<u>1,470,916</u>	<u>(2,103)</u>	<u>1,468,813</u>	<u>1,395,914</u>	<u>72,899</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

Sheet 8 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	1,653,302	(28,000)	1,625,302	1,554,116	71,186
Salaries - Secretarial & Clerical	171,037	(2,057)	168,980	166,178	2,802
Purchased Professional Educational Services	500	27,500	28,000	27,475	525
Supplies & Materials	16,355	(349)	16,006	15,468	538
Other Purchased Services	17,800	2,784	20,584	17,437	3,147
Other Objects	25,300	(1,856)	23,444	17,023	6,421
Total Other Support Services - Students - Special	<u>1,884,294</u>	<u>(1,978)</u>	<u>1,882,316</u>	<u>1,797,697</u>	<u>84,619</u>
Improvement of Instructional Services:					
Salaries - Supervisors of Instruction	1,153,631	4,995	1,158,626	1,145,214	13,412
Salaries - Other Professional Staff	23,606	904	24,510	13,180	11,330
Salaries - Secretarial & Clerical	139,976	212	140,188	140,188	-
Purchased Professional Educational Services	2,000	(1,500)	500	500	-
Other Purchased Services	9,050	2,176	11,226	9,917	1,309
Supplies and Materials	5,550		5,550	2,602	2,948
Other Objects	21,810	(5,831)	15,979	12,255	3,724
Total Improvement of Instructional Services	<u>1,355,623</u>	<u>956</u>	<u>1,356,579</u>	<u>1,323,856</u>	<u>32,723</u>
Educational Media Services/School Library:					
Salaries	389,604		389,604	360,808	28,796
Other Salaries For Instruction	226,125	1,609	227,734	221,447	6,287
Salaries of Technology Coordinators	111,307	5,270	116,577	116,577	-
Purchased Professional and Technical Services	33,780	14,500	48,280	42,891	5,389
Other Purchased Services	8,174	(2,473)	5,701	5,701	-
Supplies and Materials	119,635	6,940	126,575	120,639	5,936
Total Educational Media Srvs/School Library	<u>888,625</u>	<u>25,846</u>	<u>914,471</u>	<u>868,063</u>	<u>46,408</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 9 of 15**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Instructional Staff Training Services:					
Other Salaries	15,000	524	15,524	8,543	6,981
Purchased Professional/Educational Services	20,000	18,299	38,299	37,862	437
Other Purchased Services	30,000	8,770	38,770	32,778	5,992
Supplies and Materials	14,600	(9,100)	5,500	5,128	372
Other Objects	5,000	(1,323)	3,677		3,677
Total Instructional Staff Training Services	<u>84,600</u>	<u>17,170</u>	<u>101,770</u>	<u>84,311</u>	<u>17,459</u>
Support Services - General Administration:					
Salaries	283,951		283,951	283,045	906
Legal Services	95,000	18,753	113,753	94,882	18,871
Audit Services	22,700		22,700	22,700	-
Purchased Professional Services		33,251	33,251	22,851	10,400
Communications - Telephone	100,550	(6,866)	93,684	80,368	13,316
BOE Other Purchased Services	7,550	(1,245)	6,305	3,131	3,174
Other Purchased Services	79,700	11,690	91,390	84,870	6,520
General Supplies	8,400	500	8,900	7,363	1,537
BOE-Supplies	4,350	(1,989)	2,361	256	2,105
Miscellaneous	5,000	300	5,300	5,080	220
BOE - Membership Dues and Fees	27,000		27,000	26,663	337
Total Support Services - General Administration	<u>634,201</u>	<u>54,394</u>	<u>688,595</u>	<u>631,209</u>	<u>57,386</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 10 of 15**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Support Services - School Administration:					
Salaries Principals/Assistant Principals	1,452,590	400	1,452,990	1,452,990	-
Salaries - Secretarial and Clerical	650,867	5,216	656,083	628,083	28,000
Purchased Professional & Technical Services	3,000	(3,000)	-	-	-
Other Purchased Services	14,431	4,017	18,448	16,615	1,833
Supplies and Materials	23,001	191	23,192	14,762	8,430
Other Objects	11,400	524	11,924	11,614	310
Total Support Services - School Administration	<u>2,155,289</u>	<u>7,348</u>	<u>2,162,637</u>	<u>2,124,064</u>	<u>38,573</u>
Support Services - Central Services:					
Salaries	886,875		886,875	868,196	18,679
Salaries of Other Professional Staff	12,000		12,000	10,417	1,583
Purchased Technical Services	18,620	(6,439)	12,181	11,525	656
Other Purchased Services	4,000	(57)	3,943	2,516	1,427
Supplies and Materials	32,675	(1,368)	31,307	30,703	604
Miscellaneous Expenditures	7,900	(220)	7,680	6,830	850
Total Support Services - Central Services	<u>962,070</u>	<u>(8,084)</u>	<u>953,986</u>	<u>930,187</u>	<u>23,799</u>
Support Services - Technology Services:					
Salaries	133,950	325	134,275	131,548	2,727
Salaries of Secretarial & Clerical Assistants	61,449		61,449	61,449	-
Purchased Technical Services	45,335	(5,970)	39,365	39,359	6
Other Purchased Services	35,775	(4,233)	31,542	30,861	681
Supplies and Materials	17,170	121,074	138,244	137,740	504
Other Objects	950	(768)	182		182
Total Support Services - Technology Services	<u>294,629</u>	<u>110,428</u>	<u>405,057</u>	<u>400,957</u>	<u>4,100</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 11 of 15

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Allowance Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	291,636	1,187,520	1,479,156	962,986	516,170
General Supplies	110,000	138,712	248,712	176,459	72,253
Total Allowance Maint. For School Facilities	<u>401,636</u>	<u>1,326,232</u>	<u>1,727,868</u>	<u>1,139,445</u>	<u>588,423</u>
Operations and Maintenance of Plant Services:					
Salaries	1,570,454	152,319	1,722,773	1,615,706	107,067
Salaries for Secretarial & Clerical	56,265		56,265	56,265	-
Salaries - Other	1,390,982	4,627	1,395,609	1,352,685	42,924
Cleaning, Repair & Maintenance Services	411,415	318,357	729,772	518,856	210,916
Rental of Land and Buildings - Other Than Lease Purchase Agreements	77,586	21,239	98,825	98,825	-
Other Purchased Property Services	193,976	(34,297)	159,679	150,774	8,905
Insurance	279,601	8,751	288,352	288,352	-
Other Purchased Services	7,000	(4,880)	2,120	1,224	896
General Supplies	293,117	79,066	372,183	354,179	18,004
Energy (Electric)	625,000	70,001	695,001	567,468	127,533
Energy (Natural Gas)	540,000	(61,132)	478,868	385,161	93,707
Energy (Gasoline)	17,652		17,652	15,153	2,499
Other Objects	2,909	2,215	5,124	4,124	1,000
Total Operations and Maint. of Plant Services	<u>5,465,957</u>	<u>556,266</u>	<u>6,022,223</u>	<u>5,408,772</u>	<u>613,451</u>
Maintenance of Grounds:					
Salaries	10,000	2,025	12,025	12,025	-
Cleaning, Repair and Maintenance	133,000	8,430	141,430	133,093	8,337
General Supplies		5,048	5,048	5,048	-
Total Grounds	<u>143,000</u>	<u>15,503</u>	<u>158,503</u>	<u>150,166</u>	<u>8,337</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 12 of 15**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Security:					
Salaries	409,697	7,418	417,115	402,115	15,000
Purchased Services	21,050	5,558	26,608	22,623	3,985
Supplies and Materials	16,135	(3,693)	12,442	11,887	555
Total Security	<u>446,882</u>	<u>9,283</u>	<u>456,165</u>	<u>436,625</u>	<u>19,540</u>
Student Transportation Services:					
Salaries-Non Instructional Aides	31,413	85,441	116,854	116,256	598
Salaries for Pupil Trans. (Home/School - Reg.)	168,415	(15,499)	152,916	152,916	-
Salaries for Pupil Trans. (Home/School - Sp. Ed)	105,242	(9,777)	95,465	92,682	2,783
Salaries for Pupil Trans.(Other than Home/School)		1,400	1,400	1,336	64
Purchased Professional and Technical Services	7,640	1,012	8,652	8,652	-
Equipment Repair	22,440	25,025	47,465	36,845	10,620
Bus Rental	3,464	1,331	4,795	4,795	-
Aid In Lieu	149,022	(14,610)	134,412	134,412	-
Contracted Services:					
(Home/School) Vendors	1,766,415	(140,851)	1,625,564	1,620,714	4,850
(Other Than Home/School) Vendors	181,772	963	182,735	168,717	14,018
(Special Education) Vendors	282,763	87,898	370,661	369,504	1,157
(Home/School)Joint Agreements		19,913	19,913	19,913	-
(Special Education) Joint Agreements	88,038	41,437	129,475	129,475	-
(Special Education) - ECSs & CTSAs	238,959	59,838	298,797	298,797	-
Miscellaneous Purchased Services		11,462	11,462	11,070	392
Supplies and Materials	40,591	25,032	65,623	54,235	11,388
Miscellaneous	627	(77)	550	550	-
Total Transportation Services	<u>3,086,801</u>	<u>179,938</u>	<u>3,266,739</u>	<u>3,220,869</u>	<u>45,870</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 13 of 15**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	800,000	19,737	819,737	815,842	3,895
Other Retirement Contributions PERS	1,058,435	(125,102)	933,333	933,333	-
Unemployment Compensation	85,000		85,000	85,000	-
Workmen's Compensation	453,696	(40,530)	413,166	413,166	-
Health Benefits	8,512,668	(841,649)	7,671,019	7,568,793	102,226
Tuition Reimbursements	106,000	(16,500)	89,500	86,000	3,500
Other Employee Benefits	281,925	134,712	416,637	189,414	227,223
Total Unallocated Benefits	<u>11,297,724</u>	<u>(869,332)</u>	<u>10,428,392</u>	<u>10,091,548</u>	<u>336,844</u>
On Behalf TPAF Contributions (Non-Budgeted)			-	4,011,298	(4,011,298)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,097,696	(2,097,696)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,108,994</u>	<u>(6,108,994)</u>
Total Undistributed Expenditures	<u>36,177,877</u>	<u>1,304,326</u>	<u>37,482,203</u>	<u>41,322,605</u>	<u>(3,840,402)</u>
Total Expenditures - Current Expense	<u>64,317,542</u>	<u>1,250,419</u>	<u>65,567,961</u>	<u>67,903,443</u>	<u>(2,335,482)</u>
Capital Outlay:					
Non-Instructional Equipment	26,250	3,511	29,761	29,761	-
Instructional Equipment	67,000	235,583	302,583	267,083	35,500
School Buses		50,758	50,758	50,758	-
Total Equipment	<u>93,250</u>	<u>289,852</u>	<u>383,102</u>	<u>347,602</u>	<u>35,500</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 14 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Facilities Acquisition and Construction Services:					
Purchased Professional Technical Services	4,000	44,706	48,706	27,056	21,650
Construction Services	61,000	750,988	811,988	811,036	952
Other Objects	131,864		131,864	131,864	-
Miscellaneous	6,000		6,000		6,000
Total Facilities Acquisition and Construction Svcs.	<u>202,864</u>	<u>795,694</u>	<u>998,558</u>	<u>969,956</u>	<u>28,602</u>
Total Capital Outlay	<u>296,114</u>	<u>1,085,546</u>	<u>1,381,660</u>	<u>1,317,558</u>	<u>64,102</u>
Transfer of Funds to Charter Schools	<u>20,929</u>	<u>(18,836)</u>	<u>2,093</u>	<u>2,093</u>	<u>-</u>
Total Expenditures	<u>64,634,585</u>	<u>2,317,129</u>	<u>66,951,714</u>	<u>69,223,094</u>	<u>(2,271,380)</u>
Other Financing Sources and (Uses)					
Transfer Capital Reserve to Capital Projects	1,869,300		1,869,300	(1,786,100)	3,655,400
Transfer Capital Reserve To Debt Service	1,000,000		1,000,000	(1,000,000)	2,000,000
Local Contribution to Special Revenue	65,915		65,915	(65,915)	
Total Other Financing Sources and (Uses)	<u>2,935,215</u>	<u>-</u>	<u>2,935,215</u>	<u>(2,852,015)</u>	<u>5,655,400</u>
Excess (Deficiency) of revenues over/(under)					
Expenditures and other Financing Sources (Uses)	<u>2,669,350</u>	<u>(2,317,129)</u>	<u>352,221</u>	<u>(872,770)</u>	<u>14,760,399</u>
Fund Balance July 1	<u>10,604,338</u>		<u>10,604,338</u>	<u>10,604,338</u>	
Fund Balance June 30	<u>\$ 13,273,688</u>	<u>(2,317,129)</u>	<u>10,956,559</u>	<u>9,731,568</u>	<u>14,760,399</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit C-1
Sheet 15 of 15

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				\$ 181,055	
Excess Surplus-Designated for Subsequent Year's Expenditures				26,210	
Committed Fund Balance:					
Designated For Subsequent Years Expenditures-Capital Reserve				500,000	
Maintenance Reserve				266,924	
Capital Reserve				2,647,416	
Emergency Reserve				200,000	
Assigned Fund Balance:					
Year End Encumbrances				2,304,843	
Designated For Subsequent Years Expenditures				2,040,000	
Unassigned Fund Balance				1,565,120	
				9,731,568	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				(207,875)	
Fund Balance Per Governmental Funds (GAAP)				\$ 9,523,693	

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

Sheet 1 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 836,112	5,785	841,897	841,897	
Federal Sources	1,612,088	111,496	1,723,584	1,723,584	
Local Sources	65,915	233,762	299,677	299,677	
Total Revenues	<u>\$2,514,115</u>	<u>351,043</u>	<u>2,865,158</u>	<u>2,865,158</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 300,000	18,252	318,252	318,252	
Other Salaries for Instruction	50,000	166	50,166	50,166	
Purchased Professional and Technical Services	500,000	93,856	593,856	593,856	
Other Purchased Services		3,274	3,274	3,274	
Tuition	900,000	5,258	905,258	905,258	
General Supplies	300,000	38,711	338,711	338,711	
Textbooks	50,000	38,648	88,648	88,648	
Other Objects		4,990	4,990	4,990	
Total Instruction	<u>2,100,000</u>	<u>203,155</u>	<u>2,303,155</u>	<u>2,303,155</u>	<u>-</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Personal Services - Employee Benefits	50,000	7,299	57,299	57,299	
Purchased Professional - Educational Services	300,000	46,207	346,207	346,207	
Other Purchased Services		36,289	36,289	36,289	
Supplies and Materials	64,115	34,533	98,648	98,648	
Other Objects		18,924	18,924	18,924	
Total Support Services	<u>414,115</u>	<u>143,252</u>	<u>557,367</u>	<u>557,367</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		4,636	4,636	4,636	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>4,636</u>	<u>4,636</u>	<u>4,636</u>	<u>-</u>
Total Expenditures	<u>\$2,514,115</u>	<u>351,043</u>	<u>2,865,158</u>	<u>2,865,158</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE TOWNSHIP SCHOOL DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATION**NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 71,202,339	2,865,158
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		226,669
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	192,986	67,806
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(207,875)</u>	<u>(9,012)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 71,187,450</u>	<u>3,150,621</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 69,223,094	2,865,158
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>226,669</u>
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 69,223,094</u>	<u>3,091,827</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - PERS

Exhibit L-1

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 20,722,846	21,039,735
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>
Total	<u>\$ 20,722,846</u>	<u>21,039,735</u>
District's Covered-Employee Payroll	7,501,042	7,645,151
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	36.20%	36.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.74%	40.71%

LAWRENCE TOWNSHIP SCHOOL DISTRICT**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS****Exhibit L-2****LAST TWO FISCAL YEARS**

	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 857,919	897,866
Contributions in Relation to the Contractually Required Contribution	<u>857,919</u>	<u>897,866</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 7,501,042	7,645,151
Contributions as a Percentage of Covered-Employee Payroll	11.44%	11.74%

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - TPAF

Exhibit L-3

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>151,832,317</u>	<u>150,174,286</u>
Total	<u>\$ 151,832,317</u>	<u>150,174,286</u>
District's Covered-Employee Payroll	28,264,648	28,245,728
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	18.62%	18.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

Exhibit E-1
Sheet 1 of 3

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>I.D.E.A. Basic</u>	<u>I.D.E.A Preschool</u>
Revenues:						
State Sources	\$ -					
Federal Sources	343,057	62,587	33,947	13,853	1,269,483	657
Local Sources						
Total Revenues	<u>\$ 343,057</u>	<u>62,587</u>	<u>33,947</u>	<u>13,853</u>	<u>1,269,483</u>	<u>657</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 150,268	2,800	28,194		20,888	
Other Salaries for Instruction						
Purchased Professional and Technical Svcs.						
Other Purchased Services						
Tuition					905,258	
General Supplies	75,461		2,534	13,853	41,276	657
Textbooks						
Miscellaneous						
Total Instruction	<u>225,729</u>	<u>2,800</u>	<u>30,728</u>	<u>13,853</u>	<u>967,422</u>	<u>657</u>
Support Services:						
Personnel Services - Employee Benefits	11,426	214	2,157			
Purchased Professional and Technical Svcs.	74,647	40,801			224,359	
Other Purchased Services	10,539	18,727	712		1,026	
Supplies and Materials	20,716	45	350		62,676	
Other Objects					14,000	
Total Support Services	<u>117,328</u>	<u>59,787</u>	<u>3,219</u>	<u>-</u>	<u>302,061</u>	<u>-</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 343,057</u>	<u>62,587</u>	<u>33,947</u>	<u>13,853</u>	<u>1,269,483</u>	<u>657</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

Exhibit E-1
Sheet 2 of 3

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Non-Public Textbooks</u>	<u>Nursing Services</u>	<u>ESL</u>	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Corrective Speech</u>	<u>Annual Examination & Classification</u>	<u>Initial Examination & Classification</u>	<u>Supplementary Instruction</u>
Revenues:									
State Sources	88,648	264,915	1,370	63,154	24,200	31,276	37,183	84,411	59,166
Federal Sources									
Local Sources									
Total Revenues	<u>88,648</u>	<u>264,915</u>	<u>1,370</u>	<u>63,154</u>	<u>24,200</u>	<u>31,276</u>	<u>37,183</u>	<u>84,411</u>	<u>59,166</u>
Expenditures:									
Instruction:									
Salaries of Teachers									
Other Salaries for Instruction									
Purchased Professional and Technical Svcs.		264,915	1,370	63,154	24,200	31,276	37,183	84,411	59,166
Other Purchased Services									
Tuition									
General Supplies									
Textbooks	88,648								
Miscellaneous									
Total Instruction	<u>88,648</u>	<u>264,915</u>	<u>1,370</u>	<u>63,154</u>	<u>24,200</u>	<u>31,276</u>	<u>37,183</u>	<u>84,411</u>	<u>59,166</u>
Support Services:									
Personnel Services - Employee Benefits									
Purchased Professional/Educational Svcs.									
Other Purchased Services									
Supplies and Materials									
Other Objects									
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services:									
Instructional Equipment									
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>88,648</u>	<u>264,915</u>	<u>1,370</u>	<u>63,154</u>	<u>24,200</u>	<u>31,276</u>	<u>37,183</u>	<u>84,411</u>	<u>59,166</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit E-1
Sheet 3 of 3

	<u>Preschool Education</u>	<u>Non-Public Technology</u>	<u>LTFC</u>	<u>LTEF</u>	<u>Spring LTEF</u>	<u>Fall LTEF</u>	<u>Winter LTEF</u>	<u>Safety Grant</u>	<u>Asia Grant</u>	<u>Non-Public Home Instruction</u>	<u>Totals 2015</u>
Revenues:											
State Sources	132,000	51,688								3,886	841,897
Federal Sources											1,723,584
Local Sources	<u>81,244</u>	<u> </u>	<u>3,200</u>	<u>75,709</u>	<u>55,131</u>	<u>69,461</u>	<u>25</u>	<u>4,636</u>	<u>10,271</u>	<u> </u>	<u>299,677</u>
Total Revenues	<u>213,244</u>	<u>51,688</u>	<u>3,200</u>	<u>75,709</u>	<u>55,131</u>	<u>69,461</u>	<u>25</u>	<u>4,636</u>	<u>10,271</u>	<u>3,886</u>	<u>2,865,158</u>
Expenditures:											
Instruction:											
Salaries of Teachers	116,102										318,252
Other Salaries for Instruction	50,166										50,166
Purchased Professional and Technical Svcs.					10,195	13,900			200	3,886	593,856
Other Purchased Services					2,274	1,000					3,274
Tuition											905,258
General Supplies	3,514	51,688		73,473	28,327	41,107	25		6,796		338,711
Textbooks											88,648
Miscellaneous						4,500			490		4,990
Total Instruction	<u>169,782</u>	<u>51,688</u>	<u>-</u>	<u>73,473</u>	<u>40,796</u>	<u>60,507</u>	<u>25</u>	<u>-</u>	<u>7,486</u>	<u>3,886</u>	<u>2,303,155</u>
Support Services:											
Personnel Services - Employee Benefits	43,462					40					57,299
Purchased Professional/Educational Svcs.			3,200			3,200					346,207
Other Purchased Services					2,500				2,785		36,289
Supplies and Materials				2,236	6,911	5,714					98,648
Other Objects					4,924						18,924
Total Support Services	<u>43,462</u>	<u>-</u>	<u>3,200</u>	<u>2,236</u>	<u>14,335</u>	<u>8,954</u>	<u>-</u>	<u>-</u>	<u>2,785</u>	<u>-</u>	<u>557,367</u>
Facilities Acquisition and Construction Services:											
Instructional Equipment								4,636			4,636
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,636</u>	<u>-</u>	<u>-</u>	<u>4,636</u>
Total Expenditures	<u>213,244</u>	<u>51,688</u>	<u>3,200</u>	<u>75,709</u>	<u>55,131</u>	<u>69,461</u>	<u>25</u>	<u>4,636</u>	<u>10,271</u>	<u>3,886</u>	<u>2,865,158</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-2

SCHEDULE OF PRESCHOOL EDUCATION AID

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 118,506	116,102	2,404
Other Salaries of Instruction	54,623	50,166	4,457
General Supplies	7,000	3,514	3,486
Total Instruction	<u>180,129</u>	<u>169,782</u>	<u>10,347</u>
Support Services:			
Employee Benefits	<u>80,980</u>	<u>43,462</u>	<u>37,517</u>
Total Support Services	<u>80,980</u>	<u>43,462</u>	<u>37,517</u>
Total Expenditures	<u>\$ 261,109</u>	<u>213,244</u>	<u>47,864</u>

Calculation of Budget & Carryover

Total Revised 2014-15 Preschool Education Aid Allocation	\$ 132,000
Add: Actual PEA Carryover (June 30, 2015)	55,194
Add: Local Tuition	8,000
Add: Transfer from General Fund Budget	<u>65,915</u>
Total Preschool Education Aid Funds Available for 2014-15 Budget	261,109
Less: 2014-15 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(261,109)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	\$ -
Add: June 30, 2015 Unexpended Preschool Education Aid	<u>47,864</u>
2014-15 Carryover - Preschool Education Aid Program	<u>\$ 47,864</u>
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	<u>\$ -</u>

CAPITAL PROJECTS FUND – F

LAWRENCE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY SCHEDULE OF PROJECT EXPENDITURES

Exhibit F-1

FOR THE YEAR ENDED JUNE 30, 2015

<u>Issue/Project Title</u>	<u>Date Approved</u>	<u>2014/2015 Appropriations</u>	<u>Balance June 30,2014</u>	<u>Adjustment Encumbrances</u>	<u>Prior Year</u>	<u>Current Year</u>		<u>Unexpended Balance</u>
						<u>Expended</u>	<u>Encumbered</u>	
Benjamin Franklin-Heating and Ventilating and Chimney	1/6/2014	\$ 202,500	180,280	(180,280)	4,450	8,780	77,034	112,236
Lawrenceville Elem.-Heating and Ventilating	1/6/2014	130,500				6,240	1,583	122,677
Slackwood-Heating and Ventilating	1/6/2014	166,500				7,960	1,993	156,547
Eldridge Park-Heating and Ventilating	1/6/2014	112,000				5,360	1,375	105,265
Lawrence Intermediate-Heating and Ventilating	1/6/2014	478,000				23,480	5,860	448,660
Lawrence Middle School-Heating and Ventilating	1/6/2014	1,004,000				49,600	12,425	941,975
Lawrence High School-Chimney	1/6/2014	1,230,000			6,690	61,445	126,525	1,035,340
		<u>\$ 3,323,500</u>	<u>180,280</u>	<u>(180,280)</u>	<u>11,140</u>	<u>162,865</u>	<u>226,795</u>	<u>2,922,700</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-2

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources

Transfer from Capital Reserve	\$ 1,786,100
EDA Grants	1,246,200
Total Revenues	<u>3,032,300</u>

Expenditures

Professional Services	214,225
Construction Services	172,935
Other Objects	2,500
Total Expenditures	<u>389,660</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures 2,642,640

Other Financing Sources (Uses)

Prior Year Adjustment	99,780
Total Other Financing Sources (Uses)	<u>99,780</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures
and Other Financing Sources (Uses) 2,742,420

Fund Balance - Beginning 180,280

Fund Balance - Ending \$ 2,922,700

LAWRENCE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

ALTERATIONS AND ADDITIONS TO BENJAMIN FRANKLIN CHIMNEY AND HVAC

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SCC Grant	\$ 83,200	(2,200)	81,000	81,000
Bond Proceeds and Transfers	124,800	(3,300)	121,500	118,200
Total Revenues	<u>208,000</u>	<u>(5,500)</u>	<u>202,500</u>	<u>199,200</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	27,720	2,619	30,339	31,039
Construction Services		62,544	62,544	168,161
Total Expenditures	<u>27,720</u>	<u>62,544</u>	<u>90,264</u>	<u>199,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 180,280</u>	<u>(68,044)</u>	<u>112,236</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number	SP#2580-070-14-1012-G04			
Grant Date	1/6/14			
Original Authorized Cost	208,000			
Reduced Authorized Cost	(5,500)			
Revised Authorized Cost	202,500			
Percentage Decrease Over Original Authorized Cost	2%			
Percentage Completion	47%			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE HVAC AT LAWRENCEVILLE ELEMENTARY

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ -	52,200	52,200	52,200
Transfer From Capital Reserve		78,300	78,300	78,300
Total Revenues		<u>130,500</u>	<u>130,500</u>	<u>130,500</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services				114,730
Professional Technical Services		7,823	7,823	15,770
Total Expenditures	<u>-</u>	<u>7,823</u>	<u>7,823</u>	<u>130,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>122,677</u>	<u>122,677</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number	2580-090-14-1015-G04			
Grant Date	1/6/14			
Original Authorized Cost	\$ 130,500			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 130,500			
Percentage Increase Over Original Authorized Cost	n/a			
Percentage Completion	5%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/15			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2C

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE HVAC AT SLACKWOOD SCHOOL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ -	66,600	66,600	66,600
Transfer from Capital Reserve		99,900	99,900	99,900
Total Revenues		<u>166,500</u>	<u>166,500</u>	<u>166,500</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services				145,970
Professional Technical Services		9,953	9,953	20,530
Total Expenditures	<u>-</u>	<u>9,953</u>	<u>9,953</u>	<u>166,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>156,547</u>	<u>156,547</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number	2580-100-14-1016-G04			
Grant Date	1/6/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 166,500			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 166,500			
Percentage Increase Over Original Authorized Cost	n/a			
Percentage Completion	5%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/15			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE HVAC AT ELDRIDGE PARK ELEMENTARY

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ -	44,800	44,800	44,800
Transfer From Capital Reserve	-	67,200	67,200	67,200
Total Revenues	<u>-</u>	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		6,735	6,735	13,220
Construction Services			-	98,780
Total Expenditures	<u>-</u>	<u>6,735</u>	<u>6,735</u>	<u>112,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>105,265</u>	<u>105,265</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number	2580-080-14-1013-GO4			
Grant Date	1/6/15			
Original Authorized Cost	\$ 112,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 112,000			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	6%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/15			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2E

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE HVAC AT LAWRENCE INTERMEDIATEFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ -	191,200	191,200	191,200
Transfer from Capital Reserve	-	286,800	286,800	286,800
Total Revenues	<u>-</u>	<u>478,000</u>	<u>478,000</u>	<u>478,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		29,340	29,340	36,800
Construction Services			-	441,200
Total Expenditures	<u>-</u>	<u>29,340</u>	<u>29,340</u>	<u>478,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>448,660</u>	<u>448,660</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number	2580-085-14-1014-GO4			
Grant Date	1/6/14			
Original Authorized Cost	\$ 478,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 478,000			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	6%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/15			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE HVAC AT LAWRENCE MIDDLE SCHOOL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ -	401,600	401,600	401,600
Transfer From Capital Reserve	-	602,400	602,400	602,400
Total Revenues	<u>-</u>	<u>1,004,000</u>	<u>1,004,000</u>	<u>1,004,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		62,025	62,025	94,300
Construction Services			-	909,700
Total Expenditures	<u>-</u>	<u>62,025</u>	<u>62,025</u>	<u>1,004,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>941,975</u>	<u>941,975</u>	<u>-</u>

Additional Project Information

Project Number	2580-050-14-1011-GO4
Grant Date	1/6/14
Original Authorized Cost	\$ 1,004,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$ 1,004,000
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	6%
Original Target Completion Date	12/31/15
Revised Target Completion Date	12/31/15

LAWRENCE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE CHIMNEY AT THE LAWRENCE HIGH SCHOOL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ 50,800	441,200	492,000	492,000
Transfer From Capital Reserve	76,200	661,800	738,000	738,000
Total Revenues	<u>127,000</u>	<u>1,103,000</u>	<u>1,230,000</u>	<u>1,230,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	6,690	61,445	68,135	121,800
Construction Services		126,525	126,525	1,108,200
Total Expenditures	<u>6,690</u>	<u>187,970</u>	<u>194,660</u>	<u>1,230,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 120,310</u>	<u>915,030</u>	<u>1,035,340</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number	2580-040-14-1003-GO4			
Grant Date	1/6/15			
Original Authorized Cost	\$ 1,230,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 1,230,000			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	6%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/15			

PROPRIETARY FUNDS – G

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDS

JUNE 30, 2015

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Building Use</u>	<u>Summer</u>	<u>Total 2015</u>
<u>Assets</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 293,115	33,906	5,843	18,982	3,623	355,469
Accounts Receivable:						
State	1,234					1,234
Federal	40,534					40,534
Inventory	33,034					33,034
Total Current Assets	<u>367,917</u>	<u>33,906</u>	<u>5,843</u>	<u>18,982</u>	<u>3,623</u>	<u>430,271</u>
Noncurrent Assets:						
Equipment	658,860					658,860
Accumulated Depreciation	(346,385)					(346,385)
Total Noncurrent Assets	<u>312,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,475</u>
Total Assets	<u>\$ 680,392</u>	<u>33,906</u>	<u>5,843</u>	<u>18,982</u>	<u>3,623</u>	<u>742,746</u>
<u>Liabilities</u>						
Current Liabilities:						
Accounts Payable	\$ 91,958					91,958
Total Liabilities	<u>\$ 91,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,958</u>
<u>Net Position</u>						
Investment in Capital Assets	\$ 312,475					312,475
Unrestricted	275,959	33,906	5,843	18,982	3,623	338,313
Total Net Position	<u>\$ 588,434</u>	<u>33,906</u>	<u>5,843</u>	<u>18,982</u>	<u>3,623</u>	<u>650,788</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit G-2

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

ENTERPRISE FUNDS

JUNE 30, 2015

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Building Use</u>	<u>Summer</u>	<u>Total 2015</u>
Operating Revenues:						
Local Sources:						
Daily Sales Reimbursable Programs:						
School Lunch Program	\$ 818,496					818,496
Fees	3,951	37,227	1,343	2,421	6,519	51,461
Total Operating Revenues	<u>822,447</u>	<u>37,227</u>	<u>1,343</u>	<u>2,421</u>	<u>6,519</u>	<u>869,957</u>
Operating Expenses:						
Salaries & Benefits	67,456	4,699		318	13,142	85,615
Supplies and Materials	8,161	30,928				39,089
Depreciation	34,716					34,716
Miscellaneous	54,533	50				54,583
Cost of Purchased Services	1,315,794					1,315,794
Management Fee	38,862					38,862
Total Operating Expenses	<u>1,519,522</u>	<u>35,677</u>	<u>-</u>	<u>318</u>	<u>13,142</u>	<u>1,568,659</u>
Operating Income (Loss)	<u>(697,075)</u>	<u>1,550</u>	<u>1,343</u>	<u>2,103</u>	<u>(6,623)</u>	<u>(698,702)</u>
Non-Operating Revenues:						
State Sources:						
State School Lunch Program	14,761					14,761
Federal Sources:						
National School Lunch Program	409,862					409,862
HHFKA Lunch Program	18,122					18,122
School Breakfast Program	29,806					29,806
Commodities	96,968					96,968
Total Non-Operating Revenues	<u>569,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,519</u>
Net Income (Loss)	(127,556)	1,550	1,343	2,103	(6,623)	(129,183)
Adjustment for Fixed Assets	11,494					11,494
Net Position, July 1	<u>704,496</u>	<u>32,356</u>	<u>4,500</u>	<u>16,879</u>	<u>10,246</u>	<u>768,477</u>
Net Position, June 30	<u>\$ 588,434</u>	<u>33,906</u>	<u>5,843</u>	<u>18,982</u>	<u>3,623</u>	<u>650,788</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit G-3

SCHEDULE OF CASH FLOWS

ENTERPRISE FUNDS

JUNE 30, 2015

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Building Use</u>	<u>Summer</u>	<u>Total 2015</u>
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ (697,075)	1,550	1,343	2,103	(6,623)	(698,702)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities						
Depreciation	34,716					34,716
Commodities	96,968					96,968
Change in Assets and Liabilities						
Decrease/(Increase) in Inventory	872					872
(Increase)/Decrease in Accounts Receivable	(7,683)					(7,683)
Increase/(Decrease) in Accounts Payable	90,509					90,509
Net Cash Used By Operating Activities	<u>(481,693)</u>	<u>1,550</u>	<u>1,343</u>	<u>2,103</u>	<u>(6,623)</u>	<u>(483,320)</u>
Cash Flows from Noncapital Financing Activities:						
Cash Received From State and Federal Reimbursements	472,551					472,551
Net Cash Provided Noncapital Financing Activities:	<u>472,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,551</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(9,142)	1,550	1,343	2,103	(6,623)	(4,146)
Cash and Cash Equivalents, July 1	<u>302,257</u>	<u>32,356</u>	<u>4,500</u>	<u>16,879</u>	<u>10,246</u>	<u>366,238</u>
Cash and Cash Equivalents, June 30	<u>\$ 293,115</u>	<u>33,906</u>	<u>5,843</u>	<u>18,982</u>	<u>3,623</u>	<u>355,469</u>

FIDUCIARY FUND – H

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2015

	Scholarship Fund Non-Expendable Trust Fund	Payroll Agency	Student Activity	Summer Savings	Unemployment Compensation Expendable Trust	Total 2015
Assets:						
Cash and Cash Equivalents	\$ 35,180	348,548	194,159	1,155,568	470,887	2,204,342
Total Assets	<u>35,180</u>	<u>348,548</u>	<u>194,159</u>	<u>1,155,568</u>	<u>470,887</u>	<u>2,204,342</u>
Liabilities and Fund Balances:						
Liabilities:						
Accrued Salaries - Summer Savings				1,155,568		1,155,568
Payroll Withholdings		348,548				348,548
Due to Student Groups			194,159			194,159
Total Liabilities		<u>348,548</u>	<u>194,159</u>	<u>1,155,568</u>	<u>-</u>	<u>1,698,275</u>
Net Position:						
Reserved - Scholarships	35,180					35,180
Reserved - Unemployment Benefits					470,887	470,887
Total Net Position	<u>\$ 35,180</u>				<u>470,887</u>	<u>506,067</u>

EXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGES

IN FIDUCIARY NET POSITION

JUNE 30, 2015

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 450	85,000	85,450
Interest on Investments			-
Total Additions	<u>450</u>	<u>85,000</u>	<u>85,450</u>
Deductions:			
Scholarship Payments	2,450		2,450
Unemployment Claims			-
Total Deductions	<u>2,450</u>	<u>-</u>	<u>2,450</u>
Change in Net Position	(2,000)	85,000	83,000
Net Position, July 1	<u>37,180</u>	<u>385,887</u>	<u>423,067</u>
Net Position, June 30	<u>\$ 35,180</u>	<u>470,887</u>	<u>506,067</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
<u>Elementary Schools</u>				
Benjamin Franklin	\$ 413	4,000	3,115	1,298
Eldridge Park	4,969	9,742	10,230	4,481
Lawrenceville	349	15,620	14,353	1,616
Slackwood	1,239	6,002	5,810	1,431
Total Elementary Schools	<u>6,970</u>	<u>35,364</u>	<u>33,508</u>	<u>8,826</u>
<u>Junior High Schools</u>				
Lawrence Intermediate	7,695	13,249	13,270	7,674
Lawrence Middle	44,987	55,234	50,024	50,197
Total Junior High Schools	<u>52,682</u>	<u>68,483</u>	<u>63,294</u>	<u>57,871</u>
<u>Senior High Schools</u>				
Lawrence High	114,903	256,570	244,011	127,462
Total Senior High Schools	<u>114,903</u>	<u>256,570</u>	<u>244,011</u>	<u>127,462</u>
Total - All Schools	<u>\$ 174,555</u>	<u>360,417</u>	<u>340,813</u>	<u>194,159</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash and Cash Equivalents	\$ 343,916	46,310,203	46,305,571	348,548
Total Assets	<u>\$ 343,916</u>	<u>46,310,203</u>	<u>46,305,571</u>	<u>348,548</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 343,916	46,310,203	46,305,571	348,548
Total Liabilities	<u>\$ 343,916</u>	<u>46,310,203</u>	<u>46,305,571</u>	<u>348,548</u>

SUMMER SAVINGS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Exhibit H-5

JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash and Cash Equivalents	\$ 1,086,912	1,155,568	1,086,912	1,155,568
Total Assets	<u>\$ 1,086,912</u>	<u>1,155,568</u>	<u>1,086,912</u>	<u>1,155,568</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 1,086,912	1,155,568	1,086,912	1,155,568
Total Liabilities	<u>\$ 1,086,912</u>	<u>1,155,568</u>	<u>1,086,912</u>	<u>1,155,568</u>

LONG-TERM DEBT - I

LAWRENCE TOWNSHIP SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2015

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>	
			<u>Date</u>	<u>Amount</u>					
2011 Refunding Issue	3/1/2012	\$ 18,450,000	3/1/2016	\$ 1,330,000	4.00%	\$ 16,995,000	1,275,000	15,720,000	
			3/1/2017	1,820,000					
			3/1/2018	1,880,000					
			3/1/2019	1,955,000					
			3/1/2020	2,035,000					
			3/1/2021	2,120,000					
			3/1/2022	2,230,000					
			3/1/2023	2,350,000					
Pension Refunding	2/15/2003	3,270,000	7/15/2015	295,000	5.30%	890,000	280,000	610,000	
			7/15/2016	315,000					
School Improvements	3/23/2007	9,800,000	3/1/2016	1,110,000	3.75%	3,335,000	1,070,000	2,265,000	
			3/1/2017	1,155,000					
Solar Energy	6/24/2008	10,508,000	7/15/2015	460,000	4.25%	8,943,000	440,000	8,503,000	
			7/15/2016	480,000					
			7/15/2017	500,000					
			7/15/2018	520,000					
			7/15/2019	540,000					
			7/15/2020	565,000					
			7/15/2021	585,000					4.375%
			7/15/2022	610,000					
			7/15/2023	635,000					
			7/15/2024	665,000					
			7/15/2025	690,000					
			7/15/2026	720,000					
			7/15/2027	750,000					
7/15/2028	783,000								
						<u>\$ 30,163,000</u>	<u>3,065,000</u>	<u>27,098,000</u>	

LAWRENCE TOWNSHIP SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-2

OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2015

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015</u>
2014 Equipment	1.20%	\$ 681,600	\$ -	681,600	120,000	561,600
			\$ -	681,600	120,000	561,600

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,364,718		2,364,718	2,364,718	
Miscellaneous	156,000		156,000	207,000	51,000
State Aid	685,262		685,262	685,262	-
Total Revenues	<u>3,205,980</u>	<u>-</u>	<u>3,205,980</u>	<u>3,256,980</u>	<u>51,000</u>
Expenditures:					
Regular Debt Service:					
Interest - Early Retirement on Bonds	39,330		39,330	39,330	-
Interest	1,188,150		1,188,150	1,188,150	-
Redemption of Principal	<u>3,065,000</u>		<u>3,065,000</u>	<u>3,065,000</u>	<u>-</u>
Total Regular Debt Service	<u>4,292,480</u>	<u>-</u>	<u>4,292,480</u>	<u>4,292,480</u>	<u>-</u>
Total Expenditures	<u>4,292,480</u>	<u>-</u>	<u>4,292,480</u>	<u>4,292,480</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	(1,086,500)	-	(1,086,500)	(1,035,500)	51,000
Other Financing Sources:					
Transfer from Capital Reserve	<u>1,000,000</u>		<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total Other Financing Sources	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources	(86,500)	-	(86,500)	(35,500)	51,000
Fund Balance July 1	<u>86,443</u>		<u>86,443</u>	<u>86,443</u>	
Fund Balance June 30	<u>\$ (57)</u>	<u>-</u>	<u>(57)</u>	<u>50,943</u>	<u>51,000</u>

STATISTICAL SECTION

(Unaudited)

LAWRENCE TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT

J-1

	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities								
Invested in Capital Assets, net of related Debt	1 \$ 95,336,532	\$ 97,269,226	\$ 96,373,352	\$ 99,526,291	\$ 98,367,381	\$ 98,860,105	\$ 98,558,466	\$ 92,137,355
Restricted	2 \$ 11,151,703	\$ 9,271,797	\$ 9,423,775	\$ 9,873,295	\$ 11,051,428	\$ 11,583,512	\$ 12,546,081	\$ 21,920,009
Unrestricted	3 \$ (20,189,153)	\$ (217,983)	\$ (663,993)	\$ (819,561)	\$ (646,664)	\$ (1,348,744)	\$ (1,400,352)	\$ (692,679)
Total Governmental Activities	\$ 86,299,082	\$ 106,323,040	\$ 105,133,134	\$ 108,580,025	\$ 108,772,145	\$ 109,094,873	\$ 109,704,195	\$ 113,364,685
Business Type Activities								
Invested in Capital Assets, net of related Debt	4 \$ 312,475	\$ 335,697	\$ 372,996	\$ 290,159	\$ 351,612	\$ 385,909	\$ 113,096	\$ 70,000
Unrestricted	5 \$ 338,313	\$ 432,780	\$ 312,079	\$ 242,448	\$ 557,863	\$ 567,891	\$ 363,590	\$ 425,971
Total Business Type Activities	\$ 650,788	\$ 768,477	\$ 685,075	\$ 532,607	\$ 909,475	\$ 953,800	\$ 476,686	\$ 495,971
District-wide								
Invested in Capital Assets, net of related Debt	\$ 95,649,007	\$ 97,604,923	\$ 96,746,348	\$ 99,816,450	\$ 98,718,993	\$ 98,246,014	\$ 98,671,562	\$ 92,207,355
Restricted	\$ 11,151,703	\$ 9,271,797	\$ 9,423,775	\$ 9,873,295	\$ 11,051,428	\$ 11,583,512	\$ 12,546,081	\$ 21,920,009
Unrestricted	\$ (19,850,840)	\$ 214,797	\$ (351,914)	\$ (577,113)	\$ (88,801)	\$ (780,853)	\$ (1,036,762)	\$ (266,708)
Total District Assets	\$ 86,949,870	\$ 107,091,517	\$ 105,818,209	\$ 109,112,632	\$ 109,681,620	\$ 109,048,673	\$ 110,180,881	\$ 113,860,656

LAWRENCE TOWNSHIP BOARD OF EDUCATION

CHANGES IN NET POSITION

	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:								
Governmental Activities	\$ 76,902,269	\$ 73,519,956	\$ 77,819,707	\$ 72,798,664	\$ 69,894,843	\$ 73,406,804	\$ 72,507,209	\$ 73,351,876
Business Type Activities	\$ 1,568,659	\$ 1,349,744	\$ 1,389,631	\$ 1,929,637	\$ 1,514,248	\$ 1,715,265	\$ 1,993,782	\$ 1,874,193
Total District Expenses	\$ 78,470,928	\$ 74,869,700	\$ 79,209,338	\$ 74,728,301	\$ 71,409,091	\$ 75,122,069	\$ 74,500,991	\$ 75,226,069
Program Revenues:								
Governmental Activities	\$ 3,278,486	\$ 3,069,734	\$ 2,776,664	\$ 3,728,216	\$ 2,866,842	\$ 2,486,880	\$ 2,420,591	\$ 2,858,741
Business Type Activities	\$ 1,439,476	\$ 1,433,146	\$ 1,441,723	\$ 1,552,769	\$ 1,445,619	\$ 1,872,470	\$ 1,917,066	\$ 2,010,017
Total District Program Revenues	\$ 4,717,962	\$ 4,502,880	\$ 4,218,387	\$ 5,280,985	\$ 4,312,461	\$ 4,359,350	\$ 4,337,657	\$ 4,868,758
Net (Expense):								
Governmental Activities	\$ (73,623,783)	\$ (70,450,222)	\$ (75,043,043)	\$ (69,070,448)	\$ (67,028,001)	\$ (70,919,924)	\$ (70,086,618)	\$ (70,493,135)
Business Type Activities	\$ (129,183)	\$ 83,402	\$ 52,092	\$ (376,868)	\$ (68,629)	\$ 157,205	\$ (76,716)	\$ 135,824
Total District-wide Net Expense	\$ (73,752,966)	\$ (70,366,820)	\$ (74,990,951)	\$ (69,447,316)	\$ (67,096,630)	\$ (70,762,719)	\$ (70,163,334)	\$ (70,357,311)
General Revenues and Other Changes in Net Position:								
Governmental Activities	\$ 75,596,630	\$ 72,082,217	\$ 105,133,134	\$ 70,974,855	\$ 69,361,737	\$ 69,709,623	\$ 69,908,274	\$ 81,117,133
Business Type Activities	\$ 11,494		\$ 685,075	\$ -	\$ -	\$ -	\$ -	\$ -
Total District-wide	\$ 75,608,124	\$ 72,082,217	\$ 105,818,209	\$ 70,974,855	\$ 69,361,737	\$ 69,709,623	\$ 69,908,274	\$ 81,117,133
Change in Net Position:								
Governmental Activities	\$ 1,975,847	\$ 1,631,995	\$ (3,066,510)	\$ 1,904,407	\$ 2,333,736	\$ (1,210,301)	\$ (178,344)	\$ 10,623,998
Business Type Activities	\$ (117,689)	\$ 83,402	\$ 152,468	\$ (376,868)	\$ (68,629)	\$ 157,205	\$ (76,716)	\$ 135,824
Total District	\$ 1,858,158	\$ 1,715,397	\$ (2,914,042)	\$ 1,527,539	\$ 2,265,107	\$ (1,053,096)	\$ (255,060)	\$ 10,759,822

LAWRENCE TOWNSHIP BOARD OF EDUCATIONFUND BALANCES, GOVERNMENT FUNDS

	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:								
Reserved:Excess Surplus	\$ 207,265	\$ 103,082	\$ 912,745	\$ 912,745	\$ 1,283,198	\$ 848,095	\$ 1,531,353	\$ 1,416,348
Undesignated prior to Excess Calc.	\$ 1,565,120	\$ 1,531,458	\$ 700,499	\$ 2,413,908	\$ 2,750,733	\$ 2,334,502	\$ 2,807,852	\$ 2,782,925
Total Unreserved Surplus	\$ 1,772,385	\$ 1,634,540	\$ 1,613,244	\$ 3,326,653	\$ 4,033,931	\$ 3,182,597	\$ 1,276,499	\$ 1,366,577
All Other Governmental Funds:								
Unreserved, Reported in:								
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Government Funds	\$ 1,772,385	\$ 1,634,540	\$ 1,613,244	\$ 3,326,653	\$ 4,033,931	\$ 3,182,597	\$ 1,276,499	\$ 1,366,577

LAWRENCE TOWNSHIP BOARD OF EDUCATION

GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

J-4

	Actual 05/06	Actual 06/07	Actual 07/08	Actual 08/09	Actual 09/10	Actual 10/11	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14-15
Revenues										
Tax levy	51,897,779	53,698,356	55,507,507	56,207,624	57,936,065	58,341,587	57,383,635	\$ 57,542,655	\$ 59,499,325	\$ 60,685,996
Tuition charges	1,698,468	247,353	54,943	291,377	189,186	17,412	56,516	\$ 111,909	\$ 132,741	\$ 186,659
Interest earnings	5,000	622,215	447,616	149,941	51,248	22,683	1,201	\$ (1,000)		\$ 5,677
Miscellaneous	528,597	29,920	134,076	194,988	139,904	296,308	598,710	\$ 124,705	\$ 337,853	\$ 331,528
State Aid	5,421,070	5,383,812	4,791,039	4,983,811	3,746,291	1,842,234	3,184,699	\$ 3,640,507	\$ 4,662,982	\$ 5,867,128
State On Behalf	3,817,095	5,790,147	6,100,317	4,160,860	4,448,009	4,182,843	5,127,519	\$ 4,091,062	\$ 4,327,016	\$ 4,011,298
Federal					44,818	37,846	213,591	\$ 81,336	\$ 55,612	\$ 114,053
Total revenue	63,368,009	65,771,803	67,035,498	65,988,601	66,553,521	64,740,913	66,565,871	\$ 65,591,174	\$ 69,015,529	\$ 71,202,339
Regular	17,570,213	18,068,247	19,010,330	19,086,882	18,774,584	18,057,489	17,477,895	\$ 17,843,724	\$ 18,169,017	\$ 17,890,178
Special Education	3,456,065	3,654,276	4,412,743	4,903,781	5,394,167	5,061,933	5,020,093	\$ 5,301,578	\$ 5,455,510	\$ 7,181,473
Other (ESL/ASI)	1,454,721	1,434,813	1,567,140	1,801,718	1,987,744	1,864,728	2,206,502	\$ 2,295,502	\$ 2,218,815	\$ 530,582
Athletic/Co-Curricular/Other Instructional	777,473	873,045	856,357	890,737	1,016,822	924,445	844,885	\$ 849,657	\$ 855,908	\$ 896,601
Community Services	12,336	211,075	125,842	104,588	125,722	69,683	82,216	\$ 74,457	\$ 71,715	\$ 82,004
Total Instruction	23,270,807	24,241,457	25,972,411	26,787,706	27,299,039	25,978,278	25,631,591	\$ 26,364,918	\$ 26,770,965	\$ 26,580,838
Undistributed:										
Instruction(Tuition-Student Sent)	4,134,681	3,541,327	2,646,006	1,732,886	1,733,528	1,240,279	1,248,546	\$ 1,713,687	\$ 1,962,968	\$ 2,572,120
Support Services-Students	7,188,037	7,970,407	8,408,915	8,681,085	9,047,676	8,199,321	8,172,753	\$ 6,827,285	\$ 6,728,406	\$ 8,023,338
Support Services-Instructional Staff								\$ 1,220,650	\$ 1,226,189	
Support Services Instructional Staff Training								\$ 130,494	\$ 99,746	\$ 84,311
General Administration	869,078	602,606	628,622	682,475	584,912	698,851	733,687	\$ 579,603	\$ 640,105	\$ 631,209
School Administration	2,185,122	2,299,557	2,408,641	2,465,813	2,479,037	2,173,557	2,260,209	\$ 2,092,836	\$ 2,042,145	\$ 2,124,064
Central Services	839,140	1,077,972	1,113,838	1,066,718	1,072,353	963,399	1,012,999	\$ 974,710	\$ 941,046	\$ 930,187
Technology	510,337	537,552	540,365	519,076	297,306	285,276	374,414	\$ 289,819	\$ 317,067	\$ 400,957
Plant/Maintenance/Security	5,377,206	6,118,855	6,049,527	6,444,722	6,101,268	6,010,209	5,935,239	\$ 6,485,231	\$ 6,622,251	\$ 7,135,008
Student Transportation	3,125,234	3,307,782	2,910,590	2,749,294	2,493,137	2,546,224	2,621,435	\$ 2,731,067	\$ 2,828,880	\$ 3,220,869
Other Support Services:										
Employee Benefits	7,870,272	8,574,418	9,105,455	9,322,548	10,480,226	10,750,924	10,762,299	\$ 10,829,032	\$ 10,556,772	\$ 10,091,548
Food Service	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
On-behalf TPAF Pension Contributions	1,899,321	3,715,794	3,931,439	1,880,866	1,982,178	2,106,148	2,978,726	\$ 4,091,062	\$ 3,172,250	\$ 4,011,298
Reimbursed TPAF Social Security Contributions	1,917,774	2,074,353	2,168,878	2,279,994	2,465,831	2,076,695	2,148,793	\$ 2,044,793	\$ 2,154,766	\$ 2,097,696
Other										
Total Undistributed	35,916,202	39,820,622	39,912,274	37,825,477	38,737,453	37,050,883	38,249,100	\$ 40,010,266	\$ 39,292,591	\$ 41,322,605
Total Capital Outlay	1,296,797	974,178	516,108	840,539	83,091	1,238,039	2,843,309	\$ 2,079,257	\$ 634,076	\$ 1,317,558
Total Special Schools	-	-	-	-	-	-	-	\$ -	\$ 18,388	\$ 2,093
Total General Fund Expenditures	60,483,805	65,036,257	66,400,794	65,453,722	66,119,583	64,267,200	66,724,000	\$ 66,375,184	\$ 66,716,020	\$ 69,223,094

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

	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Total</u>
2004	30,265	155,335	185,600
2005	120,513	66,243	186,756
2006	369,282	135,965	505,247
2007	622,215	29,920	652,135
2008	447,616	133,877	581,493
2009	149,941	182,686	332,627
2010	51,248	68,362	119,610
2011	22,683	207,158	229,841
2012	1,201	525,813	527,013
2013	34	137,742	137,776
2014	6,676	223,048	229,724
2015	19,516	73,732	93,247

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-6

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTYLAST TEN YEARS

<u>Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Equalized Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2004	\$2,636,187,803	\$3,501,843,522	75.28%
2005	\$2,661,054,430	\$4,136,568,366	64.33%
2006	\$2,684,895,757	\$4,425,409,192	60.67%
2007	\$2,695,162,162	\$5,070,860,135	53.15%
2008	\$2,691,265,288	\$5,620,854,820	47.88%
2009	\$2,689,270,823	\$5,657,051,260	47.54%
2010	\$2,603,782,710	\$5,399,997,354	48.76%
2011	\$2,566,192,608	\$5,054,545,219	50.77%
2012	\$2,527,842,792	\$5,161,843,015	48.97%
2013	\$2,500,748,969	\$4,930,893,053	50.96%
2014	\$4,584,134,874	\$4,481,450,253	97.76%
2015	\$4,535,517,584	\$4,820,372,203	94.54%

LAWRENCE TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
PER \$100 OF ASSESSED VALUATION

J-7

Assessment	Lawrence	Lawrence	Mercer	
<u>Year</u>	<u>School District</u>	<u>Township</u>	<u>County</u>	<u>TOTAL</u>
2004	\$1.82	\$0.59	\$0.83	\$3.24
2005	\$1.96	\$0.62	\$0.83	\$3.41
2006	\$2.05	\$0.65	\$0.80	\$3.50
2007	\$2.13	\$0.70	\$0.97	\$3.80
2008	\$2.19	\$0.74	\$1.07	\$4.01
2009	\$2.21	\$0.75	\$1.11	\$4.07
2010	\$2.30	\$0.81	\$1.14	\$4.24
2011	\$2.33	\$0.87	\$1.09	\$4.29
2012	\$2.35	\$0.92	\$1.22	\$4.49
2013	\$2.43	\$0.97	\$1.28	\$4.68
2014	\$1.36	\$0.56	\$0.70	\$2.62
2015	\$1.41	\$0.56	\$0.70	\$2.67

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-8

SCHEDULE OF PRINCIPAL TAXPAYERS

FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Taxpayer</u>	<u>Assessed Valuation 2014</u>	<u>Assessed Valuation 2013</u>	<u>As a % of total Net Assessed Taxable Valuation</u>
1. Bristol-Myers Squibb	310,683,200	182,916,000	7.31%
2. Education Testing Service	13,812,580	66,687,200	2.67%
3. Avalon Properties	10,984,960	55,929,700	2.24%
4. AG- Prism	102,277,000	50,648,000	2.03%
5. Quakerbridge Mall	158,850,500	47,763,500	1.91%
6. Mercer Mall	102,070,000	46,346,800	1.85%
7. Lawrence Shopping Center	31,307,000	16,316,100	0.65%
8. Princeton Pike Office Park	24,853,200	13,681,000	0.55%
9. Steward crossing	26,917,200	12,838,900	0.51%
10. Macy's	20,250,000	10,255,900	0.41%

LAWRENCE TOWNSHIP BOARD OF EDUCATION
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS

<u>Year Ended</u> <u>December 31,</u>	<u>Total Tax</u> <u>Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percent of Tax</u> <u>Levy Collected</u>
2004	\$86,259,298.00	\$84,417,861.00	97.87%
2005	\$95,631,768.53	\$94,349,958.12	98.66%
2006	\$98,877,251.87	\$97,724,918.98	98.83%
2007	\$103,069,578.35	\$101,304,332.57	98.29%
2008	\$108,201,491.00	\$106,109,644.00	98.07%
2009	\$109,807,601.66	\$107,854,632.35	98.22%
2010	\$110,758,572.74	\$108,938,583.24	98.36%
2011	\$110,140,985.00	\$107,259,518.00	97.38%
2012	\$113,704,529.25	\$111,156,711.34	97.76%
2013	\$117,248,644.10	\$115,018,141.61	98.10%
2014	\$120,759,033.49	\$119,604,851.94	99.04%
2015	\$120,739,573.00	n/a	n/a

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-10

RATIO OF OUTSTANDING DEBT BY TYPE

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Other Debt</u>	<u>Total Debt Per District</u>	<u>Population</u>	<u>Per Capita</u>
2004	34,899,455	-	34,899,455	31,316	\$ 1,114
2005	32,872,000	-	32,872,000	31,401	\$ 1,047
2006	31,562,000		31,562,000	31,401	\$ 1,005
2007	39,997,000		39,997,000	31,401	\$ 1,274
2008	48,700,000		48,700,000	31,863	\$ 1,528
2009	45,895,000		45,895,000	32,081	\$ 1,431
2010	43,405,000		43,405,000	32,081	\$ 1,353
2011	39,766,000		39,766,000	33,472	\$ 1,188
2012	36,706,000		36,706,000	33,319	\$ 1,102
2013	33,506,000		33,506,000	33,472	\$ 1,001
2014	32,553,000		32,553,000	33,472	\$ 973
2015	29,098,094		29,098,094	33,472	\$ 869

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-11

RATION OF NET GENERAL BONDED DEBTTO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Lawrence Twp</u> <u>Population</u>	<u>Net Assessed</u> <u>Valuation Taxable</u>	<u>Net Bonded</u> <u>Debt of District</u>	<u>Ratio of Bonded</u> <u>Debt to Assessed</u> <u>Value</u>	<u>Net Bonded</u> <u>Debt</u> <u>Per Capita</u>
2004	31,316	\$2,636,187,803	\$34,899,455	1.32%	\$1,114
2005	31,401	\$2,661,054,430	\$32,872,000	1.24%	\$1,047
2006	32,081	\$2,684,895,757	\$31,562,000	1.18%	\$984
2007	32,485	\$2,695,162,162	\$39,997,000	1.48%	\$1,231
2008	32,081	\$2,691,265,286	\$48,700,000	1.81%	\$1,518
2009	32,081	\$2,688,130,426	\$45,895,000	1.71%	\$1,431
2010	32,081	\$2,603,782,710	\$43,405,000	1.67%	\$1,353
2011	33,472	\$2,566,192,608	\$39,766,000	1.55%	\$1,188
2012	33,319	\$2,527,842,792	\$36,706,000	1.45%	\$1,102
2013	33,472	\$2,500,748,969	\$33,506,000	1.34%	\$1,001
2014	33472	\$4,584,134,874	\$32,553,000	0.71%	\$973
2015	33472	\$4,535,517,584	\$30,548,983	0.71%	\$973

LAWRENCE TOWNSHIP BOARD OF EDUCATION J-12

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

FOR THE YEAR ENDED DECEMBER 31, 2012

UNAUDITED

Direct and Overlapping Governmental Activities Debt

Net Direct Debt of School District as of December 31, 2014

Net Overlapping Debt of School District:

Lawrence Township	\$31,152,369
Mercer County - Township's Share	\$72,533,953
Ewing-Lawrence Sewer Authority - Township's Share	\$3,487,949
Mercer County Improvement Authority-Township's Share	\$14,091,407

Total Direct and Overlapping Bonded Debt as of December 31, 2014 \$121,265,678

LAWRENCE TOWNSHIP BOARD OF EDUCATION

COMPUTATION OF LEGAL DEBT MARGIN

<u>Year</u>	<u>Equalized Valuation Basis</u>
2015	\$ 4,535,517,584
2014	\$ 4,584,134,874
2013	\$ 4,930,893,053
2012	\$ 5,161,843,015
2011	\$ 5,054,545,219
2010	\$ 5,366,655,629
2009	\$ 5,668,202,768
2008	\$ 5,630,262,109
2007	\$ 5,621,784,091
2006	\$ 5,044,901,266
2005	\$ 4,378,931,965
	\$15,583,043,863

Average 3 years Equalized Valuation of Taxable Property	\$ 4,803,097,132
School Borrowing Margin	\$ 192,123,885
Net Bonded School Debt as of June 30, 2015	27,098,000
School Borrowing Margin Available	\$ 165,025,885

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 192,123,885	\$ 197,314,162	\$ 201,963,750	\$ 207,773,918	\$ 214,525,382	\$ 222,201,607	\$ 225,603,320	\$ 217,292,633	\$ 200,608,231	\$ 188,476,665
Net Debt	27,098,000	\$ 32,533,000	33,506,000	36,706,000	39,766,000	43,405,000	45,895,000	48,700,000	39,997,000	31,562,000
Legal Debt Margin	\$ 219,221,885	\$ 229,847,162	\$ 235,469,750	\$ 244,479,918	\$ 254,291,382	\$ 178,796,607	\$ 179,708,320	\$ 168,592,633	\$ 160,611,231	\$ 156,914,665

LAWRENCE TOWNSHIP BOARD OF EDUCATION J-14DEMOGRAPHIC STATISTICS

<u>Year Ended December 31,</u>	<u>Lawrence Township Unemployment Rate</u>	<u>Mercer County Per Capita Income</u>	<u>Lawrence Township Population</u>
2003	2.8%	43,066	30,914
2004	2.3%	44,426	31,316
2005	2.2%	45,869	31,401
2006	2.0%	50,350	32,081
2007	2.7%	52,576	31,863
2008	3.8%	53,798	31,645
2009	6.6%	50,916	31,660
2010	6.3%	52,496	33,472
2011	6.1%	54,445	33,319
2012	6.2%	N/A	33,472
2013	5.6%	N/A	33,472
2014	4.4%	N/A	33,472

LAWRENCE TOWNSHIP BOARD OF EDUCATION

Exhibit J-15

OPERATING STATISTICS

PRINCIPAL EMPLOYERS

<u>2013</u>	<u>2014</u>
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10

No Data Available

LAWRENCE TOWNSHIP BOARD OF EDUCATION

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

J-16

LAST TEN FISCAL YEARS

UNAUDITED

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Regular	272	270	280	297	286	291	281	285	283	282	275
Special Education	51	69	71	63	66	64	64	105	105	106	113
Other Special Education	-	-	-	-	-	-	-				
Vocational	-	-	-	-	-	-	-				
Other Instruction	-	-	-	-	-	-	-	1	1	1	1
Nonpublic school programs	-	-	-	-	-	-	-				
Adult/continuing education prog	-	-	-	-	-	-	-				
Student & instruction related ser	52	57	59	63	60	66	61	121	109	110	110
General administration	3	3	3	4	4	4	4	3	3	3	3
School administrative services	13	13	13	13	13	13	12	23	23	23	22
Central Services	45	53	53	47	45	23	23	12	12	11	11
Admin. Information Technology	9	7	7	9	9	12	12	3	3	3	3
Plant operations & maintenance	48	60	63	53	52	52	48	68	71	68	65
Pupil Transportation				3	5	3	5	7	8	8	11
Other support services	76	80	85	104	95	110	112 *				
	-	-	-	-	-	-	-				
	-	-	-	1	1	1	1		1	2	2
	-	-	-	-	-	-	-				
	567	613	634	657	636	639	623	628	619	616	616

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-17

OPERATING STATISTICSLAST TEN FISCAL YEARS

Fiscal Year	Operating Expenditures (1)	Cost Per Pupil	Percentile Change	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
2004	54,181,062	\$12,870	13.21%	4,210	4,007	95.2%
2005	55,543,116	\$13,100	1.76%	4,240	4,002	94.4%
2006	60,483,806	\$14,442	9.29%	4,188	3,963	94.6%
2007	65,036,257	\$16,324	11.53%	3,984	3,791	95.2%
2008	66,400,794	\$16,969	3.80%	3,913	3,738	95.5%
2009	61,292,861	\$15,746	-7.77%	3,893	3,709	95.3%
2010	61,655,306	\$15,698	-0.31%	3,927	3,754	95.6%
2011	60,084,357	\$15,197	-3.30%	3,954	3,790	95.9%
2012	61,596,481	\$15,390	1.25%	4,002	3,845	96.1%
2013	62,258,588	\$15,468	0.51%	4,025	3,852	95.7%
2014	63,097,004	\$15,735	1.70%	4,010	3,834	95.6%
2015	65,966,114	\$16,566	5.02%	3,982	3,814	95.8%

Note: Enrollment based on annual final reported attendance figures

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-18 & J-19

BUILDING INFORMATION

REQUIRED MAINTENANCE EXPENDITURES

<u>SCHOOL:</u>	<u>Sq. Ft.</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
LAWRENCE HIGH SCHOOL	240,388	\$ 87,066	\$ 87,364	\$ 174,633	\$ 224,297	199,589	172,356	173,741	172,269	401,138	255,144	213,917
LAWRENCE MIDDLE SCHOOL	86,123	\$ 29,645	\$ 79,144	\$ 61,239	\$ 27,537	51,555	89,464	141,461	79,251	284,165	321,354	281,392
BEN FRANKLIN	62,829	\$ 16,057	\$ 30,161	\$ 33,962	\$ 20,280	33,869	25,168	37,680	47,618	42,879	70,098	83,574
ELDRIDGE PARK	34,673	\$ 81,792	\$ 24,089	\$ 25,539	\$ 47,677	55,030	25,987	30,863	32,740	42,174	66,340	60,587
LAWRENCE INTERMEDIATE	100,742	\$ 53,124	\$ 139,321	\$ 40,120	\$ 37,009	48,241	33,954	37,126	80,898	115,682	88,510	155,506
LAWRENCEVILLE ELEMENTARY	51,684	\$ 34,867	\$ 53,135	\$ 34,258	\$ 13,678	109,904	54,322	31,341	79,644	112,832	42,287	100,537
SLACKWOOD ELEMENTARY	43,518	\$ 41,284	\$ 37,085	\$ 54,525	\$ 17,466	55,800	33,338	51,240	52,159	88,974	93,132	67,473
		\$ 343,836	\$ 450,299	\$ 424,278	\$ 387,944	553,987	\$ 434,589	\$ 503,453	\$ 544,579	1,087,844	936,864	962,986

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-20

INSURANCE SCHEDULEJUNE 30, 2015

<u>Multi Peril Package Policy</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Company</u>
<u>Property</u>			
Blanket Building & Contents	140,129,354	5,000	NJSBAIG
Extra Expense	50,000,000		
Musical instruments(included in blanket bldg & contents included			
Miscellaneous Equip (included in blanket bldg & content: included			
Computer Equipment (Included in Blanket Bldg & Conte: included			
Demolition /Incr. Cost of Construction	5,000,000		
<u>Energy Systems</u>	100,000,000		NJSBAIG
Spoilage	500,000		
<u>Commercial Liability</u>			NJSBAIG
Bodily Injury /Property Damage	11,000,000		
Fire Damage (Legal)	11,000,000		
Medical Expense	1000/10,000		
Employee Benefits Liability	11,000,000		
<u>Crime</u>			NJSBAIG
Money & Securities	50,000		
Employee Dishonesty	1,000,000		
<u>Business Auto</u>			NJSBAIG
Bodily Injury & Property Damage	11,000,000		
Personal Injury Protection	Yes		
Medical Payments	10,000		
Uninsured/Underinsured	1,000,000		
Comprehensive	1,000		
Collision	1,000		
Garage keepers	1,000,000		
<u>School Board Legal Liability</u>			CHUBB
Section "A"	11,000,000		
Section "B"	100,000/300,000		
Retention	15,000		
<u>Catastrophe Excess</u>			Fireman's Fund
Limit of Liability	50,000,000		
<u>Workers Compensation Policy</u>			NJSBAIG
Section "A"	Statutory		
Section "B"			
Each Accident	2,000,000		
Each Employee	2,000,000		
<u>Supplemental W/C</u>			NJSBAIG
Maximum Benefits	1750 PER WEEK		
<u>Student Accident</u>			MCCLOSKEY/NJSBAIG
Compulsory(including Athletics)	5,000,000		
<u>Bonds</u>			SELECTIVE
Treasurer of School Monies	342,687		
Business Administrator	100,000		
<u>Environmental Impairment Liability</u>			
Limit of liability	1,000,000		AIG
	3,000,000		

SINGLE AUDIT SECTION

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

Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

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

INDEPENDENT AUDITOR'S REPORT 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
Lawrence Township School District
County of Mercer
Lawrence Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lawrence Township Board of Education, County of Mercer, State of New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Lawrence Township Board of Education, County of Mercer, State of New Jersey's basic financial statements, and have issued our report thereon dated December 3, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

December 3, 2015

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

120.

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

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

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

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's major federal and state programs for the year ended June 30, 2015. The Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or, significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

December 3, 2015

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustment	Balance at June 30, 2015		
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor at
U.S. Department of Education:														
General Fund														
ARRA - SEMI	93.778	N/A	\$ 24,417	7/1/2014	6/30/2015	\$ -		24,417	(24,417)					
Medical Assistance Program(SEMI)	93.778	N/A	25,456	7/1/2014	6/30/2015	-		25,456	(25,456)					
Medical Assistance Program(SEMI)	93.778	N/A	55,612	7/1/2013	6/30/2014	-		64,180	(64,180)					
U.S. Department of Education:														
Passed Through State Department of Education:														
Special Revenue Fund:														
Title I	84.010	NCLB14	385,984	9/1/2013	8/31/2014	(97,778)		97,780		(2)				
Title I	84.010	NCLB15	385,376	9/1/2014	8/31/2015			233,723	(343,057)			(109,334)		
Title IIA	84.367	NCLB14	99,322	9/1/2013	8/31/2014	(32,498)		32,498						
Title IIA	84.367	NCLB15	99,989	9/1/2014	8/31/2015			59,546	(62,587)			(3,041)		
Title III	84.365	NCLB14	57,122	9/1/2013	8/31/2014	(2,410)		2,409		1				
Title III	84.365	NCLB15	61,872	9/1/2014	8/31/2015			30,841	(33,947)			(3,106)		
Title III Immigrant	84.365	NCLB14	42,145	9/1/2013	8/31/2014	(5,083)		5,082		1				
Title III Immigrant	84.365	NCLB15	29,048	9/1/2014	8/31/2015				(13,853)			(13,853)		
Special Education Cluster:														
IDEA Basic	84.027	FT14	1,390,780	9/1/2013	8/31/2014	(521,615)		521,614		1				
IDEA Basic	84.027	FT15	1,584,294	9/1/2014	8/31/2015			956,956	(1,269,483)			(312,527)		
IDEA Preschool	84.173	FT14	40,835	9/1/2013	8/31/2014	(30,572)		30,572				(320)		
IDEA Preschool	84.173	FT15	44,370	9/1/2014	8/31/2015			337	(657)					
Total U.S. Department of Education						(689,956)	-	1,971,358	(1,723,584)	-	1	(442,181)	-	-
U.S. Department of Agriculture -														
Passed Through State Department of Education:														
Child Nutrition Cluster:														
National School Lunch Program	10.555	N/A	378,105	7/1/2013	6/30/2014	(29,705)		29,705						
National School Lunch Program	10.555	N/A	409,861	7/1/2014	6/30/2015			373,910	(409,861)			(35,951)		
HHFKA	10.555	N/A	18,122	7/1/2014	6/30/2015			16,517	(18,122)			(1,605)		
HHFKA	10.555	N/A	17,616	7/1/2013	6/30/2014	(1,391)		1,391						
School Breakfast Program	10.553	N/A	23,938	7/1/2013	6/30/2014	(1,925)		1,925						
School Breakfast Program	10.553	N/A	29,806	7/1/2014	6/30/2015			26,829	(29,806)			(2,977)		
Food Distribution Program	10.550	N/A	96,968	7/1/2014	6/30/2015			96,968	(96,968)					
Total U.S. Dept. of Agriculture						(33,021)	-	547,245	(554,757)	-	-	(40,533)	-	-
Total Federal Financial Assistance						\$ (722,977)	-	2,632,656	(2,392,394)	-	1	(482,714)	-	-

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Schedule B
K-4

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2015	Deferred Revenue	Due to Grantor at June 30, 2015	MEMO	
			From	To										Budgetary Receivable	Total Cumulative Expenditures
General Fund:															
Special Education Aid	15-495-034-5120-089	\$ 2,353,591	7/1/2014	6/30/15	\$ -		2,353,591	(2,353,591)						(141,226)	2,353,591
Security Aid	15-495-034-5120-084	417,886	7/1/2014	6/30/15			417,886	(417,886)						(25,075)	417,886
Transportation Aid	15-495-034-5120-014	612,017	7/1/2014	6/30/15			612,017	(612,017)						(36,724)	612,017
PARCC Readiness Aid	15-495-034-5120-098	40,410	7/1/2014	6/30/15			40,410	(40,410)						(2,425)	40,410
Per Pupil Growth Aid	15-495-034-5120-097	40,410	7/1/2014	6/30/15			40,410	(40,410)						(2,425)	40,410
Extraordinary Aid	15-495-034-5120-044	257,545	7/1/2014	6/30/15				(257,545)		(257,545)					257,545
Extraordinary Aid	14-495-034-5120-044	218,389	7/1/2013	6/30/14	(218,389)		220,669	(2,280)							2,280
Transportation Cost in Excess	14-495-034-5120-014	40,584	7/1/2013	6/30/14	(40,584)		40,584								
Transportation Cost in Excess	15-495-034-5120-014	45,293	7/1/2012	6/30/13				(45,293)		(45,293)					45,293
Reimbursed Social Security Aid	14-100-034-5095-002	2,154,766	7/1/2013	6/30/14	(105,176)		105,176								
Reimbursed Social Security Aid	15-100-034-5095-002	2,097,696	7/1/2014	6/30/15			1,993,460	(2,097,696)		(104,236)					2,097,696
Total General Fund					<u>(364,149)</u>	<u>-</u>	<u>5,824,203</u>	<u>(5,867,128)</u>	<u>-</u>	<u>(84,074)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(207,875)</u>	<u>5,867,128</u>
Special Revenue:															
Preschool Education	15-495-034-5120-086	132,000	7/1/2014	6/30/15			132,000	(132,000)						(9,012)	132,000
N.J. Nonpublic Aid:															
Textbooks	14-100-034-5120-064	86,060	7/1/2013	6/30/14	1,652				(1,652)						
Textbooks	15-100-034-5120-064	96,698	7/1/2014	6/30/15			96,698	(88,648)				8,050			88,648
Nursing Services	15-100-034-5120-070	264,915	7/1/2014	6/30/15			264,915	(264,915)							264,915
Technology	15-100-034-5120-373	51,936	7/1/2014	6/30/15			51,936	(51,688)				248			51,688
Technology	14-100-034-5120-373	31,380	7/1/2013	6/30/14	33					(33)					
English as a Second Language	15-100-034-5120-067	9,135	7/1/2014	6/30/15			9,135	(1,370)				7,765			1,370
English as a Second Language	14-100-034-5120-067	6,460	7/1/2013	6/30/14	2,707					(2,707)					
Compensatory Education	14-100-034-5120-067	110,421	7/1/2013	6/30/14	41,085					(41,085)					
Compensatory Education	15-100-034-5120-067	97,642	7/1/2014	6/30/15			97,642	(63,154)				34,488			63,154
Transportation	15-100-034-5120-067	24,200	7/1/2014	6/30/15			24,200	(24,200)							24,200
Home Instruction	15-100-034-5120-067	3,886	7/1/2014	6/30/15				(3,886)		(3,886)					3,886
Exam. and Class. - Initial	15-100-034-5120-066	107,088	7/1/2014	6/30/15			107,088	(84,411)				22,677			84,411
Exam. and Class. - Initial	14-100-034-5120-066	111,398	7/1/2013	6/30/14	7,798					(7,798)					
Exam. and Class. - Annual	15-100-034-5120-066	38,988	7/1/2014	6/30/15			38,988	(37,183)				1,805			37,183
Corrective Speech	15-100-034-5120-066	36,666	7/1/2014	6/30/15			36,666	(31,276)				5,390			31,276
Corrective Speech	14-100-034-5120-066	32,029	7/1/2013	6/30/14	1,093					(1,093)					
Supplementary Instruction	14-100-034-5120-066	75,629	7/1/2013	6/30/14	29,908					(29,908)					
Supplementary Instruction	15-100-034-5120-066	64,503	7/1/2014	6/30/15			64,503	(59,166)				5,337			59,166
Total Special Revenue Fund					<u>84,276</u>	<u>-</u>	<u>923,771</u>	<u>(841,897)</u>	<u>-</u>	<u>(84,276)</u>	<u>(3,886)</u>	<u>-</u>	<u>85,760</u>	<u>(9,012)</u>	<u>841,897</u>
Debt Service:															
Debt Service Aid Type II	14-495-034-5120-125	685,262	7/1/2014	6/30/15			685,262	(685,262)							685,262
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program:															
State Share	14-100-010-3350-023	13,485	7/1/2013	6/30/14	(1,604)		1,604								
State Share	15-100-010-3350-023	14,761	7/1/2014	6/30/15			13,526	(14,761)		(1,235)					14,761
Total Enterprise Fund					<u>(1,604)</u>	<u>-</u>	<u>15,130</u>	<u>(14,761)</u>	<u>-</u>	<u>(1,235)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,761</u>
Total State Financial Assistance					<u>\$ (281,477)</u>	<u>-</u>	<u>7,448,366</u>	<u>(7,409,048)</u>	<u>-</u>	<u>(85,511)</u>	<u>(410,960)</u>	<u>-</u>	<u>85,760</u>	<u>(216,887)</u>	<u>7,409,048</u>

BOARD OF EDUCATION

K-5

LAWRENCE TOWNSHIP SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2015****NOTE 1: General**

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

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is as stated in the accompanying analysis. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of State					
Financial Assistance	\$ 5,867,128	841,897	685,262	14,761	7,409,048
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP					
in that Encumbrances are					
Recognized as Expenditures					
and the Related Revenue					
is Recognized					
		67,724			67,724
On Behalf Payments					
Recognized for GAAP					
Statements but Not					
Included in the Schedule					
of Expenditures of State					
Financial Assistance	4,011,298				4,011,298
The Last State Aid Payment					
Is Recognized as Revenue					
for Budgetary Purposes,					
and Differs from GAAP					
Which does not Recognize					
This Revenue Until the					
Subsequent Year When the					
State Recognizes the Related					
Expense (GASB 33)	<u>(14,889)</u>	<u>58,794</u>	<u>_____</u>	<u>_____</u>	<u>43,905</u>
Total State Revenue as Reported					
on the Statement of Revenues,					
Expenditures and Changes in					
Fund Balances	<u>\$ 9,863,537</u>	<u>968,415</u>	<u>685,262</u>	<u>14,761</u>	<u>11,549,975</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of Federal					
Awards	\$ 114,053	1,723,584		554,757	2,392,394
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP in that					
Encumbrances are Recognized as					
Expenditures, and the Related					
Revenue is Recognized	_____	<u>131,755</u>	_____	_____	<u>131,755</u>
Total Federal Revenue as					
Reported on the Statement					
of Revenue, Expenditures,					
and Changes in Fund					
Balances	<u>\$ 114,053</u>	<u>1,855,339</u>	_____	<u>554,757</u>	<u>2,524,149</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2015. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

NOTE 6: Adjustments

Adjustments were made to Schedule A as follows:

Encumbrances were cancelled to IDEA Basic and Titles I & III, for a net of \$1.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 1 - Summary of Auditor's Results

Financial Statement Section

	<u>Unmodified</u>
(A) Type of auditor's report issued:	
(B) Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ Yes <u> x </u> No
2) Were reportable conditions(s) identified that were not considered to be material weaknesses?	_____ Yes <u> x </u> No
(C) Noncompliance material to general purpose financial statements noted?	_____ Yes <u> x </u> No

Federal Awards Section

(D) Dollar threshold used to determine Typed A programs:	<u>\$300,000</u>
(E) Auditee qualified as low-risk auditee?	<u> x </u> Yes _____ No
(F) Type of auditor's report on compliance for major programs:	<u>Unmodified</u>
(G) Internal control over compliance:	
1) Material weakness(es) identified?	_____ Yes <u> x </u> No
2) Were reportable condition(s) identified that were not considered to material weaknesses?	_____ Yes <u> x </u> No
(H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?	_____ Yes <u> x </u> No

(I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>School Breakfast Program (Child Nutrition Cluster)</u>
<u>10.555</u>	<u>National School Lunch Program (Child Nutrition Cluster)</u>
<u>10.555</u>	<u>HHFKA Program (Child Nutrition Cluster)</u>
<u>10.550</u>	<u>Food Distribution Program (Child Nutrition Cluster)</u>
<u>84.010</u>	<u>Title I</u>
<u>84.027</u>	<u>I.D.E.A. Part B (Special Education Cluster)</u>
<u>84.173</u>	<u>I.D.E.A. Preschool (Special Education Cluster)</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015*Part 1 - Summary of Auditor's Results (Continued)***State Awards Section**

(J) Dollar threshold used to determine Type A programs: \$300,000

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

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

(M) Internal control over compliance:

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

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

(N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04? Yes x No

(O) Identification of major programs:

GMIS Number(s)

15-495-034-5120-014

15-495-034-5120-084

15-495-034-5120-089

15-495-034-5120-098

15-495-034-5120-097

15-495-034-5120-125

15-495-034-5095-002

Name of State Program

Transportation Aid (State Aid Public Cluster)

Security Aid (State Aid Public Cluster)

Special Education Aid (State Aid Public Cluster)

PARCC Readiness Aid (State Aid Public Cluster)

Per Pupil Growth Aid (State Aid Public Cluster)

Debt Service Aid-Type II

Reimbursed Social Security

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 2 - Schedule of Financial Statement Findings

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-6

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

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

Prior Audit Findings:

None