

**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, 2016**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**

**LAWRENCE TOWNSHIP, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**PREPARED BY**

**LAWRENCE TOWNSHIP BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

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

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## **INTRODUCTORY SECTION**





# LAWRENCE TOWNSHIP PUBLIC SCHOOLS

*Business Office*

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

Tom Eldridge

*Business Administrator*

*Board Secretary*

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, 2016, 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 state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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				
2016				
<b>Members:</b>	<b>Position</b>	<b>Date Elected</b>	<b>Term Begins</b>	<b>Term Ends</b>
Pepper Evans	Member	November 5, 2013	January 2014	January 2017
Michael Horan	Vice President	November 5, 2013	January 2014	January 2017
Laura Waters	Member	November 5, 2013	January 2014	January 2017
Michele Bowes	Member	May 11, 2016	May 25, 2016	January 2017
Dana Drake	Member	November 4, 2014	January 2015	January 2018
Max Ramos	Member	November 4, 2014	January 2015	January 2018
Jo Ann Groeger	Member	November 3, 2015	January 2016	January 2019
Joyce Scott	Member	November 3, 2015	January 2016	January 2019
Kevin Van Hise	President	November 3, 2015	January 2016	January 2019
<b>Professionals:</b>	<b>Position</b>	<b>Appointed</b>	<b>Term Begins</b>	<b>Term Ends</b>
Crystal Edwards	Superintendent	May 15, 2015	July 1, 2015	June 30, 2020
Thomas Eldridge	Board Secretary/ SBA	May 25, 2016	July 1, 2016	June 30, 2017
<b>Appointments:</b>	<b>Position</b>	<b>Appointed</b>	<b>Term Begins</b>	<b>Term Ends</b>
Richard Krawczun	Treasurer	May 25, 2016	July 1, 2016	June 30, 2017
Robert Hulsart and Co.	Auditor	May 25, 2016	July 1, 2016	June 30, 2017
Comegno Law	Attorney	May 25, 2016	July 1, 2016	June 30, 2017
Parker McCay	Attorney	May 25, 2016	July 1, 2016	June 30, 2017

2016 BOARD MEETING DATES					
January	13,	2016	July	13,	2016
February	10,	2016	July	27,	2016
March	9,	2016	August	10,	2016
March	23,	2016	August	31,	2016
April	13,	2016	September	14,	2016
April	27,	2016	September	28,	2016
May	11,	2016	October	19,	2016
May	25,	2016	November	9,	2016
June	8,	2016	December	14,	2016
June	22,	2016			
All meetings 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**

**Comegno Law Group, P.C.**  
**521 Pleasant Valley Avenue**  
**Moorestown, New Jersey 08057**

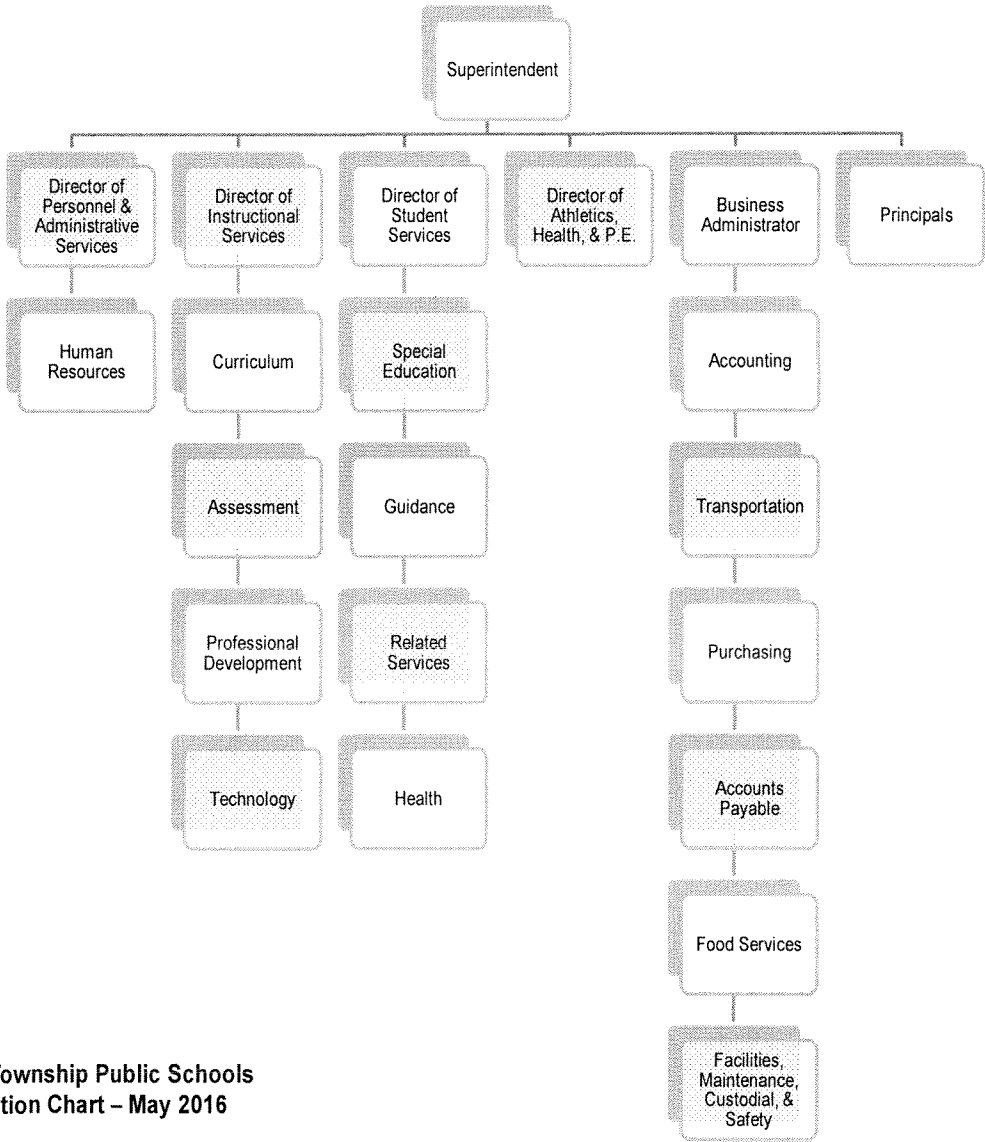
**Official Depositories**

**TD Bank**

**First Choice**

**N.J. Cash Management**

ORGANIZATIONAL CHART



Lawrence Township Public Schools  
Organization Chart – May 2016

5/11/16



## FINANCIAL SECTION

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

5.

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, 2016, 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, 2016, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid 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 1, 2016 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 1, 2016



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

**LAWRENCE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016. 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](http://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](http://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 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.** The other funds within the total budget are the Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Each of these funds, the Student Activities Fund, the Food Service Fund, Payroll Account, and the Payroll Agency Account are audited.

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

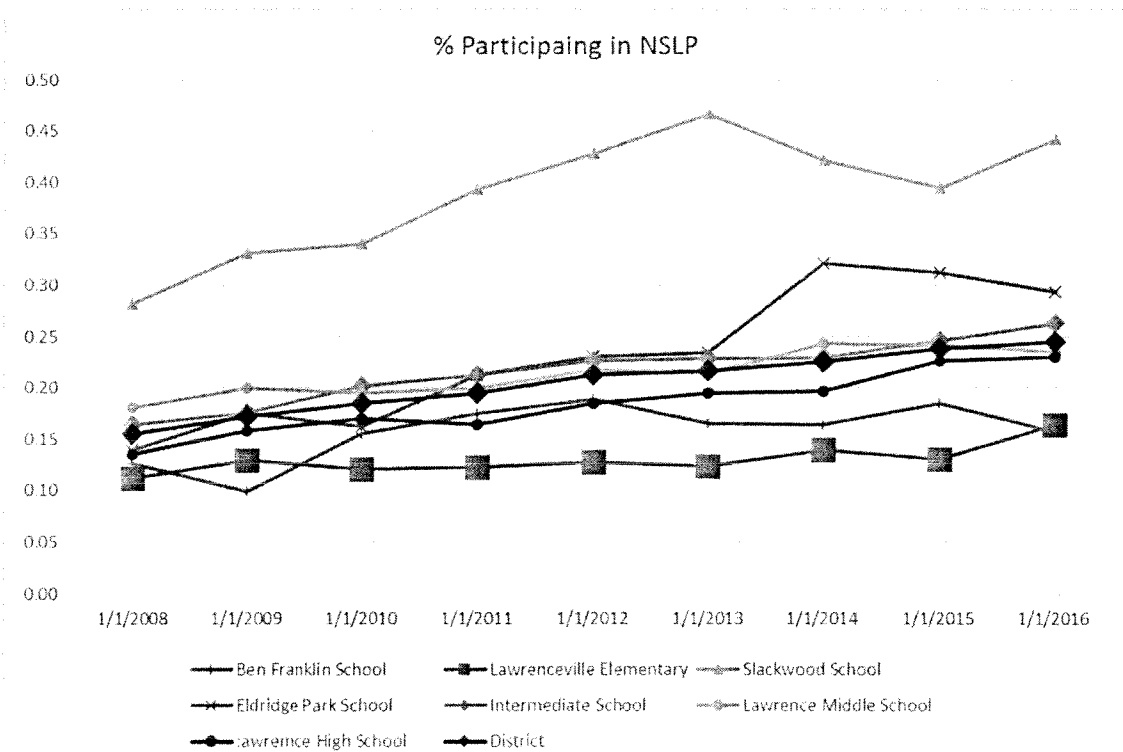
**The Economic Climate:**

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.

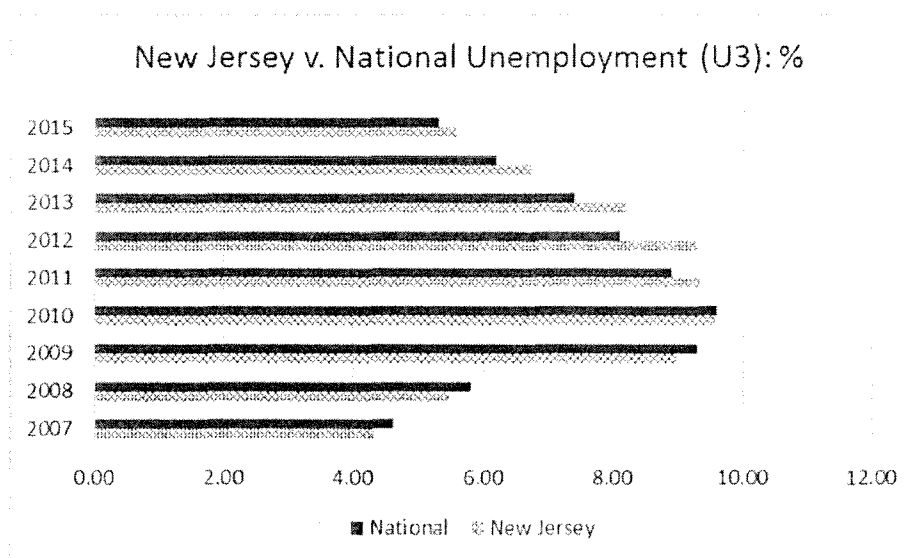
- **Free and Reduced Priced Lunches**-Participation in the National Schools Lunch Program is typically considered an indicator of affluence within a school district. The higher the participation, the less affluent the population. From June 30, 2008 through June 30, 2016, students eligible to receive free or reduced priced lunches under the National Schools Lunch Program increased from 15% of the student population to 25% 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.

The table below illustrates the various participation rates by school and for the district as a whole.

National School Lunch Program Participation for the years ending as follows:									
Schools:	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Ben Franklin School	0.13	0.10	0.15	0.17	0.19	0.17	0.16	0.18	0.16
Lawrenceville Elementary	0.11	0.13	0.12	0.12	0.13	0.12	0.14	0.13	0.16
Slackwood School	0.28	0.33	0.34	0.39	0.43	0.47	0.42	0.39	0.44
Eldridge Park School	0.14	0.18	0.16	0.21	0.23	0.23	0.32	0.31	0.29
Intermediate School	0.16	0.18	0.20	0.21	0.23	0.23	0.23	0.25	0.26
Lawrence Middle School	0.18	0.20	0.19	0.20	0.22	0.21	0.24	0.24	0.24
Lawrence High School	0.14	0.16	0.17	0.16	0.18	0.19	0.20	0.23	0.23
<b>District</b>	<b>0.15</b>	<b>0.17</b>	<b>0.18</b>	<b>0.19</b>	<b>0.21</b>	<b>0.22</b>	<b>0.23</b>	<b>0.24</b>	<b>0.25</b>



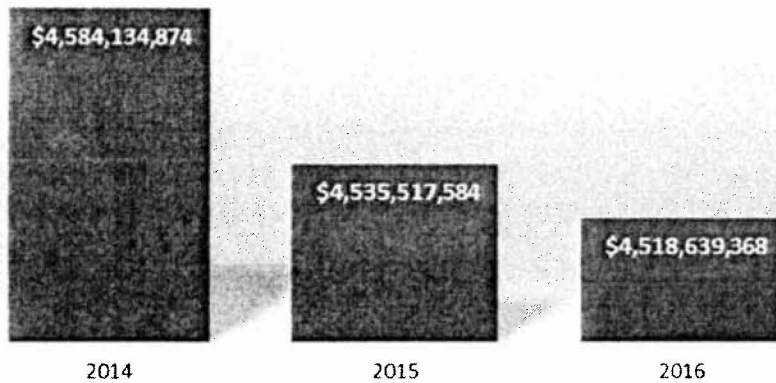
- Consumer Price Index**-The Consumer Price Index is a measure of the costs of goods and services. The purpose of the index is to document overall changes in prices for a period of time. A general measure is the annual average change between years ending December 31, 2014 and December 31, 2015. The average increase in the CPI for the audit year .1 % or .001. 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>. Note: This data is on a calendar year basis. The calendar year illustrated depicts the first half of the audit year.
- Unemployment Rate**-Unemployment rate is a key indicator of the health of the economy. In calendar year 2014 New Jersey's unemployment rate was 6.73%. During calendar year 2015, the average unemployment rate dropped to 5.58%. The national unemployment rate for the month December 31, 2014 was 6.2% The rate dropped to 5.3% for the year ending December 31, 2015. In addition the official rate expressed above, otherwise known as "U3", "U6" the broader measure of unemployment has also declined and is now at pre-economic crisis levels. 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/laumstrk.htm>. Note: This data is on a calendar year basis. The calendar year illustrated depicts the first half of the audit year.



The unemployment rate for Mercer County was 4.8%. Lawrence Township's unemployment rate for the same period was 3.6%. (State of New Jersey, Department of Labor and Workforce Development)

- Ratable Base**-The ratable base represents the total value of taxable property in the municipality. From calendar year 2014 through calendar year 2016, the total value of taxable property in the municipality decreased by 1.5%. 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). In 2016 another decrease occurred in the amount of \$16,878,000. 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. A more neutral and consistent method of expressing the tax impact of the school district is to show total changes in % of taxes required to fund the district. For the year ending June 30, 2016, the school taxes collected were 3% higher than the previous year.

## Ratables



- State Aid-** From audit year 2015 to audit year 2016 the district was essentially flat. The total state aid available for budget purposes, in the Operating Budget, for the year ending June 30, 2016 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. State Aid 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. Unemployment has since fallen continuously while the district's ratable base continues to decline. Participation in the NSLP continues to grow.

The district's response to the problems posed by the economic climate is to become more focused on program and to achieve efficiencies wherever possible. In addition to focus, the district is constantly mindful of the fragile economic condition of the State of New Jersey. One method of exercising awareness is to manage fund balance and anticipate decreases in state aid. 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.

Budgeted v. Actual Revenue

The revenue trend below illustrates that our public schools are becoming increasingly dependent on local funding; specifically property taxes. Notable listings in the Budgeted v. Actual Revenue schedule below are:

1. Note that fund balance is exhibited in a manner that calls attention to *how it is used*. The district is vigilant in using fund balance in a manner that supports one-time costs where possible. The second use, requiring the greatest vigilance, is using Fund Balance for recurring costs, i.e. salaries, benefits, and ongoing contract. We strategically minimize the use of Fund Balance as a revenue source due to its unpredictability.
2. Note that Capital Reserve shown below captures our “Withdrawals” and not deposits into said fund. Deposits are located on the Appropriations Schedule. Revenue for said deposits may be found in the “Fund Balance” section of the Revenue Schedule listed below. Withdrawals shown below are listed in the Revenue Section because they support projects listed in the Appropriations Section of the budget. The projects supported by this revenue source would otherwise need to be supported by tax levy if they were not funded by the Capital Reserve.
3. Note that State Aid comes in various forms and that some forms are “budgeted” and others are not. State Aid within the General Fund is generated based on a “needs based” formula, however the use of the revenue is not restricted to be used for said “needs.”
  - a. In all cases the district spends more on the identified “needs” than the state aid provided.
  - b. Some state aid, such as Extraordinary Aid and Supplemental Transportation Aid are not announced or provided by the State of New Jersey until the last month of the audited year, and in some cases, we are not informed of the aid until the following year. We have strategically chosen not to budget these forms of aid due to their unpredictability. We allow them to lapse into Fund Balance.
4. Note that State Aid has two components labeled as “Charge Back.” “Charge Back” is not an official term; however, the unconventional entry required by the State of New Jersey requires clarification for the reader. The amounts in question were never received by the Board of Education. The amounts in question have an equal expenditure within the Expenditures section of the audit; these amounts were never expended by the Board of Education. The state requires us to show these entries on our audit. For purpose of the MD&A I have shown these entries and reversed them for you. By reversing them, you have a “Budget Basis” of the audit; one that can be used for managerial decisions or decisions necessary to the reader.
5. Note the figure in the bottom right corner of the schedule. This is an amount that is ADDED or SUBTRACTED from the prior year’s Fund Balance. This figure may be added to the “Available Balances” on the Appropriations schedule and together they are added to the prior year’s Fund Balance to arrive at the ending Fund Balance.

2015/2016 REVENUES								
	BUDGET 10/11	BUDGET 11/12	BUDGET 12/13	BUDGET 13/14	BUDGET 14/15	BUDGET 15/16	ACTUAL 15/16	Difference Budget v. Actual
<b>FUNDING SOURCES:</b>								
<b>FUND BALANCE :</b>								
Allocate to fund ongoing operations	1,578,299	1,600,000	1,401,000	188,980	1,000,000	750,000	750,000	-
Allocate to fund ongoing operations over 2%	-	-	-	912,745	76,872	26,210	26,210	-
Allocate to fund one time maintenance needs	-	-	750,000	236,500	174,208	-	-	-
Allocate to Deposit to Capital Reserve (122)	482,000	1,095,000	1,999,000	1,579,000	2,200,000	1,290,000	1,290,000	-
<b>CAPITAL RESERVE:</b>								
Withdrawal from Capital Reserve to fund Debt Service	1,000,000	1,500,000	1,500,000	1,500,000	1,000,000	500,000	500,000	-
Withdrawal from Capital Reserve to fund Capital Projects	1,900,000	740,000	-	-	1,869,300	-	-	-
<b>FUND BALANCE/CAPITAL RESERVE</b>	<b>4,960,299</b>	<b>4,935,000</b>	<b>5,650,000</b>	<b>4,417,225</b>	<b>6,320,380</b>	<b>2,566,210</b>	<b>2,566,210</b>	<b>-</b>
<b>MISCELLANEOUS:</b>								
Misc. Tuition (200) 10-1300	-	-	-	72,933	50,000	80,000	229,125	149,125
Misc. Revenue	77,000	80,000	80,000	80,000	116,725	116,725	274,058	157,333
Maintenance Reserve Interest (250)	-	-	-	-	-	-	-	-
Capital Reserve Interest (251)	18,000	5,000	1,000	1,000	3,000	3,000	2,964	(36)
Interest Earnings (253)	54,000	24,000	24,000	24,000	10,000	10,000	25,092	15,092
<b>MISCELLANEOUS (Tuition, interest, other)</b>	<b>149,000</b>	<b>109,000</b>	<b>105,000</b>	<b>177,933</b>	<b>179,725</b>	<b>209,725</b>	<b>531,239</b>	<b>321,514</b>
<b>STATE AID:</b>								
Categorical Special Education Aid	1,576,386	2,169,756	2,329,125	2,353,591	2,353,591	2,353,591	2,353,591	-
Categorical Security Aid	-	79,276	409,665	417,886	417,886	417,886	417,886	-
Adjustment Aid (368) 10-3178	-	-	-	-	-	-	-	-
Categorical Transportation Aid	-	-	598,462	612,017	612,017	612,017	612,017	-
PARCC Readiness	-	-	-	-	40,410	40,410	40,410	-
Pupil Growth Aid	-	-	-	-	40,410	40,410	40,410	-
Professional Learning Coommunity Aid	-	-	-	-	-	-	-	-
<b>NON BUDGETED STATE AID:</b>								
Extraordinary Aid	-	-	-	-	-	-	305,897	305,897
Supplemental Transportation Aid	-	-	-	-	-	-	66,412	66,412
State Charge Back TPAF Contributions	-	-	-	-	-	-	4,946,417	4,946,417
State Charge Back Social Security Contrib	-	-	-	-	-	-	2,202,825	2,202,825
<b>STATE AID</b>	<b>1,576,386</b>	<b>2,249,032</b>	<b>3,337,252</b>	<b>3,383,494</b>	<b>3,464,314</b>	<b>3,464,314</b>	<b>10,985,865</b>	<b>7,521,551</b>
<b>FEDERAL/STATE OTHER (Medicaid)</b>	<b>30,169</b>	<b>31,714</b>	<b>34,502</b>	<b>34,502</b>	<b>38,685</b>	<b>47,211</b>	<b>71,819</b>	<b>24,608</b>
<b>TOTAL NON-TAX LEVY REVENUE</b>	<b>6,715,854</b>	<b>7,488,316</b>	<b>9,126,754</b>	<b>8,013,154</b>	<b>10,003,104</b>	<b>6,287,460</b>	<b>14,155,133</b>	<b>7,867,673</b>
<b>TAX LEVY</b>	<b>\$ 58,341,588</b>	<b>\$ 57,383,635</b>	<b>\$ 57,542,655</b>	<b>\$ 59,499,325</b>	<b>\$ 60,685,996</b>	<b>\$ 62,210,439</b>	<b>\$ 62,210,439</b>	<b>\$ 62,210,439</b>
<b>TOTAL REVENUES BEFORE ADJUSTMENT:</b>	<b>\$ 65,057,442</b>	<b>\$ 64,871,951</b>	<b>\$ 66,669,409</b>	<b>\$ 67,512,479</b>	<b>\$ 70,689,100</b>	<b>\$ 68,497,899</b>	<b>\$ 76,365,572</b>	<b>\$ 7,867,673</b>
State of New Jersey "Book Entries" (Not Cash) Entries	-	-	-	-	-	-	-	-
Less: State Charge Back TPAF Contributions	-	-	-	-	-	-	(4,946,417)	(4,946,417)
Less: State Charge Back Social Security Contributions	-	-	-	-	-	-	(2,202,825)	(2,202,825)
Total Adjustments necessary to "reset" to Budgetary Bas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,149,242)	\$ (7,149,242)
<b>TOTAL REVENUES AFTER ADJUSTMENT</b>	<b>\$ 65,057,442</b>	<b>\$ 64,871,951</b>	<b>\$ 66,669,409</b>	<b>\$ 67,512,479</b>	<b>\$ 70,689,100</b>	<b>\$ 68,497,899</b>	<b>\$ 69,216,330</b>	<b>\$ 718,431</b>

Source: MDA Data/BTotal/Audits/NJDOE District Budget

Revenue: Tax Levy

<b>TAX LEVY CAP CALCULATION:</b>	
Prior Year Tax Levy	\$ 60,685,996
Add 2% Allowable growth	1,213,720
Add: Adj. for Health Care Costs	126,504
Add: Adj. for Pensions	-
Add: Adj. for Merger	-
Add: Adj. for Banked Cap	184,220
<b>Allowable Tax Levy in Audit Year</b>	<b>\$ 62,210,440</b>
Sources:	
NJ DOE Budget-2015/2016 Tax Levy Cap Calculation	
Repository: MDA Data	

Levy (ad valorem taxes) are constrained by the 2% statutory property tax growth limit plus allowable adjustment. The increase in the local taxes below exceeds the 2% limit through the use of Spending Growth Limitation Adjustments. The difference in tax levy raised between the pre-audit year and the most recent audit year is due the use of Spending Growth Limitation Adjustments and the 2% increase in tax levy permitted by law.



**Expenditures:**

For the reader's consumption, the total General Fund expenditures for the school year 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](http://www.LTPS.org), under the heading, "Budget Central."

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

EXPENDITURE BY PROGRAM PURCHASED	ACTUAL 12/13	ACTUAL 13/14	ACTUAL 14/15	ACTUAL 15/16	BUDGET 16/17
Regular Instruction	21,063,340	21,315,455	21,182,537	22,414,404	23,132,264
Regular Support Services	2,788,784	2,729,623	2,804,081	2,835,702	2,980,556
Special Education	5,301,577	5,455,511	5,464,216	6,044,097	6,444,439
Tuition: Out of District (Sp.Ed.)	1,713,687	1,981,356	2,574,213	2,594,912	3,254,276
Special Ed. Support Services	3,504,637	3,440,220	3,412,978	3,528,527	3,725,996
Attendance/Nurse/Library	1,885,007	1,884,499	1,890,590	1,965,163	2,093,339
Administration	3,936,968	3,940,362	4,086,416	4,176,739	4,299,094
Security	472,090	426,987	436,625	496,835	504,847
Maintenance/Custodial/Utilities	6,013,140	6,195,264	6,698,383	6,772,768	6,240,194
Employee Benefits	10,829,035	10,556,772	10,091,548	10,649,908	11,697,963
Transportation/Busing	2,731,067	2,828,880	3,220,869	3,124,801	3,579,698
Capital Outlay	2,079,257	2,342,075	4,103,658	1,065,605	589,864
Capital Reserve	2,000,000	1,580,000	-	-	2,002,000
Adult School	-	-	-	-	-
Food Service	-	-	-	-	-
<b>Total</b>	<b>\$ 64,318,588</b>	<b>64,677,005</b>	<b>65,966,114</b>	<b>65,669,461</b>	<b>\$ 70,544,530</b>

**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 2016). During the 2015/2016 school year the board carried an operating surplus of \$2,051,333. Inclusive in the surplus was "Excess Surplus" in the amount of \$124,015.00 that must be used for tax relief in subsequent years.

At the conclusion of the school year the district's Undesignated/Unreserved Surplus was \$1,615,007. The amount of surplus considered to be "Excess Surplus" was \$0.

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
2015/2016	\$ 776,210	\$ 1,290,000	

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 such as: new roofs, synthetic turf fields, or air conditioning. 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, 2016, the School District had \$23,795,000 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	\$315,000.00	2016
Windows, Roofs, Asbestos	\$1,155,000.00	2017
Alterations and Additions	\$14,390,000.00*	2023 (Debt has been refinanced)
Photovoltaic Installation	\$7,935,000.00*	2028 (Debt has been refinanced)

\* 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. In the Fall of 2015 the district refinanced the debt associated with the Photovoltaic Installation for an anticipated present value savings of \$350,000.

As of the close of the audit year, all debt eligible to be refinanced has been refinanced.

School Year	2016/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	Principal Balance at 06/30/16
<b>BONDED DEBT</b>															
<b>Alterations and Additions: Refinance of 3/01/03, Issuance 06/30/11 NJ#2002024</b>															
Principal due 03/01/xx	1,330,000	1,820,000	1,880,000	1,965,000	2,035,000	2,120,000	2,230,000	2,350,000							14,390,000
Interest due 9/1/xx and 3/1/xx	636,613	588,569	540,069	474,519	405,113	321,538	220,688	112,188							
NOT ELIGIBLE FOR DSA															
<b>ERIP \$3,270,000 (2/15/03) Re-A 1993 obligations #2000737</b>															
Principal due 7/15/XX US BANK	295,000	315,000													315,000
Interest due 7/15/XX & 1/15/XX	24,513	8,348													
<b>Windows and Roofs: December 11, 2006 Referendum \$9,800,237 #2001440</b>															
Principal due 3/1/XX	1,110,000	1,155,000													1,155,000
Interest due 7/1/XX & 3/1/XX	87,825	46,200													
ELIGIBLE FOR DSA															
<b>Solar (Original) April 15, 2008 Election, \$10,508,700 #2001878</b>															
Principal due 7/15	460,000	480,000	500,000	520,000											1,500,000
Interest Due 7/15 & 1/15	358,400	53,550	32,725	11,050											
ELIGIBLE FOR DSA															
<b>Solar (Refinance) of 04/15/2008 Solar Referendum issued 10/20/15 #2002548</b>															
Principal due 7/15/XX					545,000	565,000	585,000	595,000	615,000	650,000	675,000	710,000	740,000	755,000	6,435,000
Interest due 7/15/XX & 1/15/XX		253,975	253,975	253,975	243,075	216,050	198,075	184,788	161,975	130,350	97,225	62,800	33,750	11,325	

Source: Debt Service worksheets

**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 800 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 the 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. This lease has continued through the current audit year. The revenue from the lease is 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**

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

Exhibit A-1

**JUNE 30, 2016**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 4,025,877	244,458	4,270,335
Receivables, Net	2,001,458	34,180	2,035,638
Inventory		37,198	37,198
Restricted Assets:			
Cash and Cash Equivalents	7,622,920		7,622,920
Capital Assets-Non-Depreciable	32,622,900		32,622,900
Capital Assets-Depreciable-Net	83,217,158	284,726	83,501,884
Total Assets	<u>129,490,313</u>	<u>600,562</u>	<u>130,090,875</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>4,302,820</u>		<u>4,302,820</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>453,233</u>		<u>453,233</u>
<b><u>Liabilities</u></b>			
Accounts Payable	292,380	73,548	365,928
Accrued Interest	368,714		368,714
Deferred Revenue	365,954		365,954
Noncurrent Liabilities:			
Due Within One Year	3,943,858		3,943,858
Due Beyond One Year	45,700,123		45,700,123
Total Liabilities	<u>50,671,029</u>	<u>73,548</u>	<u>50,744,577</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	92,045,058	284,726	92,329,784
Restricted For:			
Debt Service	452,128		452,128
Special Revenue	(3,030)		(3,030)
Capital Projects	2,042,271		2,042,271
Other Purposes	9,097,219		9,097,219
Unrestricted	<u>(20,964,775)</u>	<u>242,288</u>	<u>(20,722,487)</u>
Total Net Position	<u>\$ 82,668,871</u>	<u>527,014</u>	<u>83,195,885</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, 2016**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 18,414,673			(18,414,673)		(18,414,673)
Special Education	8,177,757		2,133,660	(6,044,097)		(6,044,097)
Other Special Instruction	2,433,537			(2,433,537)		(2,433,537)
Other Instruction	1,067,626			(1,067,626)		(1,067,626)
Support Services:						
Tuition	2,594,912	229,125		(2,365,787)		(2,365,787)
Student & Instruction Related Services	9,136,800		825,889	(8,310,911)		(8,310,911)
School Administrative Services	697,217			(697,217)		(697,217)
General and Business Administrative Services	3,479,522			-		-
Plant Operations and Maintenance	7,269,603			(7,269,603)		(7,269,603)
Pupil Transportation	3,124,802			(3,124,802)		(3,124,802)
Unallocated Benefits	18,441,314			(18,441,314)		(18,441,314)
Capital Outlay	746,414			(746,414)		(746,414)
Interest on Long-Term Debt	1,011,939			(1,011,939)		(1,011,939)
Unallocated Depreciation	7,908,906			(7,908,906)		(7,908,906)
Total Government Activities	<u>84,505,022</u>	<u>229,125</u>	<u>2,959,549</u>	<u>-</u>	<u>(81,316,348)</u>	<u>(81,316,348)</u>
Business-Type Activities:						
Proprietary Funds	<u>1,552,765</u>	<u>830,052</u>	<u>593,778</u>	<u>-</u>	<u>(128,935)</u>	<u>(128,935)</u>
Total Business-Type Activities	<u>1,552,765</u>	<u>830,052</u>	<u>593,778</u>	<u>-</u>	<u>(128,935)</u>	<u>(128,935)</u>
Total Primary Government	<u>86,057,787</u>	<u>1,059,177</u>	<u>3,553,327</u>	<u>-</u>	<u>(81,316,348)</u>	<u>(81,445,283)</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2  
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

	<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	62,210,439		62,210,439
Taxes Levied for Debt Service	2,909,892		2,909,892
Federal and State Aid Not Restricted	11,739,401		11,739,401
Other	(50,493)		(50,493)
Miscellaneous Income	876,898		876,898
Total General Revenues, Special Items, and Transfers	<u>77,686,137</u>	<u>-</u>	<u>77,686,137</u>
Change in Net Position	(3,630,211)	(128,935)	(3,759,146)
Adjustment for Fixed Assets		5,161	5,161
Net Position - Beginning	<u>86,299,082</u>	<u>650,788</u>	<u>86,949,870</u>
Net Position - Ending	<u>\$ 82,668,871</u>	<u>527,014</u>	<u>83,195,885</u>

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

**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents-Restricted	\$ 5,906,339	276,305	988,148	452,128	7,622,920
Cash and Cash Equivalents-Unrestricted	4,025,877				4,025,877
Receivables, Net	560,098	285,897	1,155,463		2,001,458
Interfund Receivable	100,000				100,000
Total Assets	<u>\$ 10,592,314</u>	<u>562,202</u>	<u>2,143,611</u>	<u>452,128</u>	<u>13,750,255</u>
<b><u>Liabilities and Fund Balance</u></b>					
Liabilities:					
Accounts Payable	\$ 91,762	199,278	1,340		292,380
Interfund Payable			100,000		100,000
Deferred Revenue		365,954			365,954
Total Liabilities	<u>91,762</u>	<u>565,232</u>	<u>101,340</u>	<u>-</u>	<u>758,334</u>
Fund Balance:					
Restricted for:					
Excess Surplus - Designated for Subsequent Year's Expenditures	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	458,000				458,000
Capital Reserve Account	2,131,416				2,131,416
Assigned To:					
Other Purposes	3,190,880		1,057,066		4,247,946
Designated By The BOE for Subsequent Years Expenditures	2,668,944				2,668,944
Capital Projects Fund			985,205		985,205
Debt Service Fund				452,128	452,128
Unassigned:					
Special Revenue Fund		(3,030)			(3,030)
General Fund	1,403,333				1,403,333
Total Fund Balances	<u>10,500,552</u>	<u>(3,030)</u>	<u>2,042,271</u>	<u>452,128</u>	<u>12,991,921</u>
Total Liabilities and Fund Balance	<u>\$ 10,592,314</u>	<u>562,202</u>	<u>2,143,611</u>	<u>452,128</u>	

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 \$168,486,030 and the accumulated depreciation is \$52,645,972. 115,840,058

Accrued Interest (368,714)

Deferred outflow of resources - contributions to the pension plan 4,302,820

Deferred inflow of resources - acquisition of assets applicable to future reporting periods (453,233)

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 (49,643,981)

Net Position of governmental activities \$ 82,668,871

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, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 62,210,439			2,909,892	65,120,331
Tuition Charges	229,125				229,125
Miscellaneous	302,114	302,899		574,784	1,179,797
Total Local Sources	<u>62,741,678</u>	<u>302,899</u>	<u>-</u>	<u>3,484,676</u>	<u>66,529,253</u>
State Sources	10,982,066	666,326		685,516	12,333,908
Federal Sources	71,819	1,910,103			1,981,922
Total Revenues	<u>73,795,563</u>	<u>2,879,328</u>	<u>-</u>	<u>4,170,192</u>	<u>80,845,083</u>
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	18,833,021				18,833,021
Special Education Instruction	6,044,097	2,133,660			8,177,757
Other Special Instruction	2,433,537				2,433,537
Other Instruction	1,067,626				1,067,626
Support Services and Undistributed Costs:					
Tuition	2,594,912				2,594,912
Student and Instruction Related Services	8,329,392	807,408			9,136,800
General Administrative Services	697,217				697,217
Other Administrative Services	3,479,522				3,479,522
Plant Operations and Maintenance	7,269,603				7,269,603
Pupil Transportation	3,124,802				3,124,802
Unallocated Benefits	17,799,149				17,799,149
Debt Service:					
Principal				3,195,000	3,195,000
Interest and Other Charges				1,074,007	1,074,007
Capital Outlay	551,017	12,499	924,745		1,488,261
Total Expenditures	<u>72,223,895</u>	<u>2,953,567</u>	<u>924,745</u>	<u>4,269,007</u>	<u>80,371,214</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-2  
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	1,571,668	(74,239)	(924,745)	(98,815)	473,869
Other Financing Sources (Uses):					
Prior Year Adjustment			21,297		21,297
Write Down of State Grant Receivable			(199,569)		(199,569)
Adjustment for Local Receivable			208,000		208,000
Contribution to Special Revenue	(80,221)	80,221			-
Capital Reserve to Debt Service	(500,000)			500,000	-
Capital Reserve to Capital Projects	(14,588)		14,588		
Total Other Financing Sources (Uses)	<u>(594,809)</u>	<u>80,221</u>	<u>44,316</u>	<u>500,000</u>	<u>29,728</u>
Net Change in Fund Balances	976,859	5,982	(880,429)	401,185	503,597
Fund Balance - July 1	<u>9,523,693</u>	<u>(9,012)</u>	<u>2,922,700</u>	<u>50,943</u>	<u>12,488,324</u>
Fund Balance - June 30	<u>\$ 10,500,552</u>	<u>(3,030)</u>	<u>2,042,271</u>	<u>452,128</u>	<u>12,991,921</u>

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



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2016**

Exhibit B-3

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 503,597
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	741,847	
Depreciation Expense	<u>(7,908,906)</u>	(7,167,059)
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.		3,195,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		2,621,597
Pension Related Deferrals		781,736
Net Pension Liability		(4,045,498)
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.		62,068
Compensated Absences		<u>418,348</u>
Change in Net Position of Governmental Activities		<u><u>\$ (3,630,211)</u></u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2016

	<u>Business-type Activities Enterprise Fund</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 244,458
Accounts Receivable:	
State	983
Federal	33,197
Inventory	37,198
Total Current Assets	<u>315,836</u>
Noncurrent Assets:	
Equipment	664,021
Accumulated Depreciation	<u>(379,295)</u>
Total Noncurrent Assets	<u>284,726</u>
Total Assets	<u>\$ 600,562</u>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts Payable	<u>\$ 73,548</u>
Total Liabilities	<u>\$ 73,548</u>
<b><u>Net Position</u></b>	
Investment in Capital Assets	\$ 284,726
Unrestricted	<u>242,288</u>
Total Net Position	<u>\$ 527,014</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, 2016

	<u>Business-type Activities Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs:	
School Lunch Program	\$ 807,742
Fees	22,310
Total Operating Revenues	<u>830,052</u>
Operating Expenses:	
Salaries & Benefits	564,704
Supplies and Materials	107,368
Depreciation	32,910
Miscellaneous	121,758
Cost of Purchased Services	690,465
Management Fee	35,560
Total Operating Expenses	<u>1,552,765</u>
Operating Income (Loss)	<u>(722,713)</u>
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	14,340
Federal Sources:	
National School Lunch Program	423,351
HHFKA Lunch Program	18,057
School Breakfast Program	33,726
Commodities	104,304
Total Non-Operating Revenues	<u>593,778</u>
Net Income (Loss)	(128,935)
Adjustment for Fixed Assets	5,161
Net Position, July 1	<u>650,788</u>
Net Position, June 30	<u>\$ 527,014</u>

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

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

JUNE 30, 2016

	<b>Business-type Activities Enterprise Fund</b>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 830,052
Payments for Salaries	(564,704)
Payments for Other Costs	(865,833)
Net Cash Used By Operating Activities	<u>(600,485)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received From State and Federal Reimbursements	489,474
Net Cash Provided Noncapital Financing Activities:	<u>489,474</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(111,011)
Cash and Cash Equivalents, July 1	<u>355,469</u>
Cash and Cash Equivalents, June 30	<u>\$ 244,458</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (722,713)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	32,910
Commodities	104,304
Decrease/(Increase) in Inventory	(4,164)
(Increase)/Decrease in Accounts Receivable	7,588
Increase/(Decrease) in Accounts Payable	(18,410)
Net Cash Used By Operating Activities	<u>\$ (600,485)</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, 2016**

	<b><u>Unemployment Compensation Trust</u></b>	<b><u>Payroll Agency</u></b>	<b><u>Private Purpose Scholarship Fund</u></b>	<b><u>Summer Savings</u></b>
Assets:				
Cash and Cash Equivalents	<u>\$ 555,888</u>	<u>355,136</u>	<u>34,269</u>	<u>1,317,578</u>
Total Assets	<u><u>\$ 555,888</u></u>	<u><u>355,136</u></u>	<u><u>34,269</u></u>	<u><u>1,317,578</u></u>
Net Position:				
Accrued Salaries - Summer Savings	\$ -			1,317,578
Payroll Withholding		355,136		
Held in Trust for Unemployment Claims and Other Purposes	555,888			
Reserved for Scholarships			34,269	
Total Net Position	<u><u>\$ 555,888</u></u>	<u><u>355,136</u></u>	<u><u>34,269</u></u>	<u><u>1,317,578</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, 2016**

	<b><u>Unemployment Compensation Trust</u></b>	<b><u>Private Purpose Scholarship Fund</u></b>
<b><u>Additions</u></b>		
Contributions:		
Other	\$ 85,000	1,314
Total Additions	<u>85,000</u>	<u>1,314</u>
<b><u>Deductions</u></b>		
Scholarships Awarded		2,225
Total Deductions	-	<u>2,225</u>
Change in Net Position	85,000	(911)
Net Position - Beginning of the Year	<u>470,888</u>	<u>35,180</u>
Net Position - End of the Year	<u>\$ 555,888</u>	<u>34,269</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, 2016****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, 2016 of 3,918 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, 2016 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, 2016.

**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, 2016. 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, 2016 was as follows:

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:					
Capital Assets That are Not Being Depreciated:					
Land	\$ 32,622,900	_____	_____	_____	32,622,900
Total	<u>32,622,900</u>	_____	_____	_____	<u>32,622,900</u>
Depreciable Assets:					
Buildings	121,714,382		450		121,714,832
Machinery & Equipment	<u>13,761,414</u>	<u>398,348</u>	<u>(11,464)</u>		<u>14,148,298</u>
Total	<u>135,475,796</u>	<u>398,348</u>	<u>(11,014)</u>		<u>135,863,130</u>
Less: Accumulated Depreciation:					
Buildings	(30,589,789)	(6,327,125)			(36,916,914)
Machinery & Equipment	<u>(14,181,993)</u>	<u>(1,581,781)</u>	<u>34,716</u>		<u>(15,729,058)</u>
Total Accumulated Depreciation	<u>(44,771,782)</u>	<u>(7,908,906)</u>	<u>34,716</u>		<u>(52,645,972)</u>
Net Depreciable Assets	<u>90,704,014</u>	<u>(7,510,558)</u>	<u>23,702</u>		<u>83,217,158</u>
Governmental Activities Capital Assets (Net)	<u>\$ 123,326,914</u>	<u>(7,510,558)</u>	<u>23,702</u>		<u>115,840,058</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	\$ 6,781,570	1,333,028		8,114,598
Support Services	4,139,233	813,633		4,952,866
Unallocated	<u>33,850,979</u>	<u>5,762,245</u>	<u>(34,716)</u>	<u>39,578,508</u>
	<u>\$ 44,771,782</u>	<u>7,908,906</u>	<u>(34,716)</u>	<u>52,645,972</u>

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>
Business-Type Activities:				
Equipment	\$ 658,830	5,191		664,021
Less: Accumulated Depreciation:				
Equipment	<u>(346,385)</u>	<u>(32,910)</u>		<u>(379,295)</u>
Business-Type Capital Assets (Net)	<u>\$ 312,445</u>	<u>(27,719)</u>		<u>284,726</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, 2016, cash and cash equivalents and investments of the District consisted of the following:

	<b><u>Cash and Cash Equivalents</u></b>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$14,318,165</u>

During the period ended June 30, 2016, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2016 was \$14,318,165 and the bank balance was \$15,759,122. Of the bank balance, \$470,576 was covered by federal depository insurance and \$15,288,546 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	\$ 470,576
GUPDA	<u>15,288,546</u>
	<u>\$15,759,122</u>

As of June 30, 2016, 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, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Long-Term</u> <u>Portion</u>	<u>2016-17</u> <u>Payment</u>
Compensated Absences Payable	\$ 1,149,182		418,348	730,834	730,834	
Capital Leases	521,600		171,797	349,803	175,945	173,858
Bonds Payable	27,098,000		3,303,000	23,795,000	20,025,000	3,770,000
Pension Liability	<u>20,722,846</u>	<u>4,045,498</u>	<u>                    </u>	<u>24,768,344</u>	<u>24,768,344</u>	<u>                    </u>
Total	<u>\$ 49,491,628</u>	<u>4,045,498</u>	<u>3,893,145</u>	<u>49,643,981</u>	<u>45,700,123</u>	<u>3,943,858</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 \$315,000 maturing 7-15-16.
2. School improvements for \$9,800,000 at 3.75% to 4.00% interest with a balance of \$1,155,000 maturing 3-1-17.
3. Solar improvements for \$10,508,000 at 4.25% to 4.375% interest with a balance of \$8,043,000 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 \$15,720,000 maturing 3-1-23.

**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,			
2016-2017	\$ 3,770,000	950,642	4,720,642
2017-2018	2,380,000	826,769	3,206,769
2018-2019	2,475,000	739,543	3,214,543
2019-2020	2,580,000	648,188	3,228,188
2020-2021	2,685,000	539,588	3,224,588
2020/21-2024/25	7,700,000	1,105,288	8,805,288
2025/26-2028/29	<u>2,205,000</u>	<u>107,675</u>	<u>2,312,675</u>
	<u>\$ 23,795,000</u>	<u>4,917,693</u>	<u>28,712,693</u>

**NOTE 4: Pension Plans**

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

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

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

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

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

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

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

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

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

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

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/16	\$ 973,457	100%	0
6/30/15	933,333	100%	0
6/30/14	857,919	100%	0

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

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/16	\$ 4,946,417	100%	0
6/30/15	4,011,298	100%	0
6/30/14	3,172,250	100%	0

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$4,946,417 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 \$2,202,825 during the year ended June 30, 2016 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, 2016, the District recognized pension expense of \$973,457. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 590,885	
Changes of Assumptions	2,659,921	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		398,227
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	78,557	55,006
District Contributions Subsequent to the Measurement Date	<u>973,457</u>	<u>          </u>
Total	<b><u>\$ 4,302,820</u></b>	<b><u>453,233</u></b>

\$4,302,820 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, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

Collective balances at December 31, 2014 and 2015 are as follows:

	<b><u>Dec. 31, 2015</u></b>	<b><u>Dec. 31, 2014</u></b>
Collective Deferred Outflows of Resources	\$ 4,302,820	1,681,223
Collective Deferred Inflows of Resources	453,233	1,234,969
Collective Net Pension Liability	24,768,344	20,722,846
District's Proportion	.11034%	.11068%

**Components of Net Pension Liability**

The components of the net pension liability of the participating employers for PERS as of June 30, 2015 and 2014 are as follows:

	<b><u>2015</u></b>		
	<b><u>State</u></b>	<b><u>Local</u></b>	<b><u>Total</u></b>
Total Pension Liability	\$ 31,614,118,524	43,109,580,038	74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$ 23,722,135,537</u>	<u>22,447,996,119</u>	<u>46,170,131,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.96%	47.93%	38.21%
	<b><u>2014</u></b>		
	<b><u>State</u></b>	<b><u>Local</u></b>	<b><u>Total</u></b>
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%

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

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2015. 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	3.04%
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, 2014 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Intermediate Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

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

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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, 2015 and 2014, 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:

	<b>2015</b>		
	<b>At 1% Decrease (3.90%)</b>	<b>At Current Discount Rate (4.90%)</b>	<b>At 1% Increase (5.90%)</b>
State	\$ 27,802,122,942	23,722,135,537	20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>
	<b>2014</b>		
	<b>At 1% Decrease (4.39%)</b>	<b>At Current Discount Rate (5.39%)</b>	<b>At 1% Increase (6.39%)</b>
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>

**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, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Total Pension Liability	\$ 89,182,662,000	81,095,320,000
Plan Fiduciary Net Position	<u>25,604,797,560</u>	<u>27,282,252,461</u>
Net Pension Liability	<u>\$ 63,577,864,440</u>	<u>53,813,067,539</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

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

	<u>2015</u>	<u>2014</u>
District's Liability	<u>\$ 181,236,438</u>	<u>151,832,317</u>
District's Proportion	.28506%	.28215%

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. 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, 2014 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign – Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds – Equity Hedge	4.00%	5.68%
Hedge Funds – Distressed	4.00%	4.30%

**Discount Rate**

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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, 2015 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>
2015 (3.13%, 4.13%, 5.13%)	\$ 75,559,915,440	63,577,864,440	53,254,610,440
2014 (3.68%, 4.68%, 5.68%)	64,722,984,539	53,813,067,539	44,738,870,539

**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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 (APB) who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**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:

<b><u>Fiscal Year</u></b>	<b><u>Employer Contributions</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Reimbursed</u></b>	<b><u>Balance</u></b>
2015-2016	\$ 85,000	0	0	555,887
2014-2015	85,000	0	0	470,887
2013-2014	14*	185,000	0	385,887

\*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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015		\$ 3,147,416
Deposits:		
Interest	2,964	
Budget Increase	1,597,000	
Board Resolution	400,000	
Return to Turf Project Withdrawal	<u>1,556,625</u>	
		<u>3,556,589</u>
		6,704,005
Withdrawals:		
Budgeted Withdrawal – Debt Service	500,000	
Budgeted Withdrawal – Capital Projects	14,588	
Turf Project	<u>3,600,000</u>	
		<u>4,114,588</u>
Ending Balance, June 30, 2016		<u>\$ 2,589,417</u>

**NOTE 9: Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2016.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 100,000	
Capital Projects		100,000

**NOTE 10: Fund Balance Appropriated**

**General Fund** – Of the \$10,712,226 General Fund fund balance at June 30, 2016, \$3,190,880 is reserved for encumbrances; \$2,668,944 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$181,055 is excess surplus designated for subsequent year's expenditures; \$458,000 is capital reserve designated for subsequent years expenditures; \$2,131,416 is in capital reserve, \$200,000 is in emergency reserve, \$266,924 is in Maintenance Reserve; \$1,615,007 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 2015-2016 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, 2016 had excess surplus of \$0 (see calculation below).

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

The calculation of reserved excess surplus is as follows:

**2% Calculation of Excess Surplus**

2015-16 Total General Fund Expenditures Per the CAFR	\$ 72,818,704
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(7,149,242)</u>
Adjusted 2015-16 General Fund Expenditures	<u>\$ 65,669,462</u>
2% of Adjusted 2015-16 General Fund Expenditures	\$ 1,313,389
Increased by: Allowable Adjustment	<u>372,309</u>
Maximum Unassigned Fund Balance	<u>\$ 1,685,698</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-16	\$ 10,712,226
Decreased by:	
Reserved for Encumbrances	(3,190,880)
Designated for Subsequent Year’s Expenditures – Excess Surplus	(181,055)
Designated for Subsequent Year’s Expenditures – BOE	(2,668,944)
Designated for Subsequent Year’s Expenditures – Capital Reserve	(458,000)
Other Reserves	<u>(2,598,340)</u>
Total Unassigned Fund Balance	<u>\$ 1,615,007</u>
Excess Surplus	<u>\$ 0</u>

**Section 3**

Excess Surplus – Current Year	\$
Designated for Subsequent Years Expenditures – Excess Surplus	<u>181,055</u>
	<u>\$ 181,055</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 305,897
Non-Public Transportation Aid	<u>66,412</u>
	<u>\$ 372,309</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>2,131,416</u>
Total Other Restricted Fund Balance	<u>\$ 2,598,340</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, 2016. 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, 2016 through December 1, 2016.

**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, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Final to Actual</u></b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 62,210,439		62,210,439	62,210,439	-
Tuition	80,000		80,000	229,125	149,125
Interest on Investments	13,000		13,000	28,056	15,056
Miscellaneous	116,725		116,725	274,058	157,333
Total Local Sources	<u>62,420,164</u>	<u>-</u>	<u>62,420,164</u>	<u>62,741,678</u>	<u>321,514</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				305,897	305,897
Non Public Transportation Aid			-	66,412	66,412
On Behalf TPAF Pension Contributions (Non-Budgeted)			-	4,946,417	4,946,417
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,202,825	2,202,825
Total State Sources	<u>3,464,314</u>	<u>-</u>	<u>3,464,314</u>	<u>10,985,865</u>	<u>7,521,551</u>
Federal Sources:					
Medicaid Reimbursement	47,211		47,211	71,819	24,608
Total Federal Sources	<u>47,211</u>	<u>-</u>	<u>47,211</u>	<u>71,819</u>	<u>24,608</u>
Total Revenues	<u>65,931,689</u>	<u>-</u>	<u>65,931,689</u>	<u>73,799,362</u>	<u>7,867,673</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	233,663	(17,194)	216,469	216,469	-
Kindergarten-Salaries of Teachers	958,270	15,195	973,465	950,546	22,919
Grades 1-5-Salaries of Teachers	6,342,660	156,039	6,498,699	6,279,943	218,756
Grades 6-8-Salaries of teachers	3,305,289	(4,464)	3,300,825	3,292,770	8,055
Grades 9-12-Salaries of teachers	5,544,249	215,092	5,759,341	5,697,440	61,901
Regular Programs Undistributed - Instruction:					
Other Salaries for Instruction	628,251	73,066	701,317	665,420	35,897
Purchased Professional/Educational Services	59,925		59,925	27,392	32,533
Other Purchased Services	255,316	(6,486)	248,830	243,088	5,742
General Supplies	1,364,253	(62,382)	1,301,871	1,233,117	68,754
Textbooks	71,206	88,297	159,503	159,376	127
Other Objects	15,437	(23)	15,414	15,414	-
Home Instruction:					
Teachers Salaries	20,000	(2,975)	17,025	17,025	-
Purchased Professional/Educational Services	28,000	11,384	39,384	35,021	4,363
Total Regular Programs-Instruction	<u>18,826,519</u>	<u>465,549</u>	<u>19,292,068</u>	<u>18,833,021</u>	<u>459,047</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Final to Actual</u></b>
Behavioral Disabilities:					
Salaries of Teachers	184,931	40,622	225,553	211,622	13,931
Other Salaries For Instruction	147,569	5,000	152,569	151,723	846
General Supplies	1,080	(1,080)	-	-	-
Total Behavioral Disabilities	<u>333,580</u>	<u>44,542</u>	<u>378,122</u>	<u>363,345</u>	<u>14,777</u>
Multiple Disabilities:					
Salaries of Teachers	952,813	224,031	1,176,844	1,145,415	31,429
Other Salaries for Instruction	587,361	(7,000)	580,361	576,925	3,436
General Supplies	11,620	(2,168)	9,452	9,301	151
Total Multiple Disabilities	<u>1,551,794</u>	<u>214,863</u>	<u>1,766,657</u>	<u>1,731,641</u>	<u>35,016</u>
Resource Room/Resource Center:					
Salaries of Teachers	3,121,531	(230,000)	2,891,531	2,879,606	11,925
Other Salaries for Instruction	576,085	(40,456)	535,629	531,229	4,400
Purchased Professional Educational Services	4,000	(4,000)	-	-	-
General Supplies	15,632	(1,273)	14,359	14,359	-
Textbooks	2,116	(804)	1,312	1,312	-
Total Resource Room/Resource Center	<u>3,719,364</u>	<u>(276,533)</u>	<u>3,442,831</u>	<u>3,426,506</u>	<u>16,325</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	207,399	11,295	218,694	207,924	10,770
Other Salaries for Instruction	72,195	62,547	134,742	126,956	7,786
General Supplies	4,150	(838)	3,312	3,272	40
Total Preschool Handicapped	<u>283,744</u>	<u>73,004</u>	<u>356,748</u>	<u>338,152</u>	<u>18,596</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 4 of 15**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Final to Actual</u></b>
Preschool Disabilities-Full Time					
Salaries of Teachers	61,864	8,686	70,550	70,550	-
Other Salaries for Instruction	109,025	5,370	114,395	111,753	2,642
General Supplies	1,700	549	2,249	2,150	99
Total Preschool Handicapped	<u>172,589</u>	<u>14,605</u>	<u>187,194</u>	<u>184,453</u>	<u>2,741</u>
Total Special Education	<u>6,061,071</u>	<u>70,481</u>	<u>6,131,552</u>	<u>6,044,097</u>	<u>87,455</u>
Academic Support Instruction					
Salaries of Teachers	1,826,941	72,728	1,899,669	1,899,669	-
General Supplies	9,691	(2,757)	6,934	6,934	-
Total Academic Support Instruction	<u>1,836,632</u>	<u>69,971</u>	<u>1,906,603</u>	<u>1,906,603</u>	<u>-</u>
Bilingual Education:					
Salaries of Teachers	516,772	11,343	528,115	524,141	3,974
General Supplies	5,263	(723)	4,540	2,793	1,747
Textbooks	1,220	(1,220)	-	-	-
Total Bilingual Education	<u>523,255</u>	<u>9,400</u>	<u>532,655</u>	<u>526,934</u>	<u>5,721</u>
School Sponsored Co-Curricular Activities:					
Salaries	135,712	3,000	138,712	134,694	4,018
Other Purchased Services	26,870	(10,925)	15,945	13,169	2,776
Supplies and Materials	34,680	28,862	63,542	39,784	23,758
Other Objects	18,346	8,236	26,582	12,876	13,706
Total School Sponsored Co-Curricular Activities	<u>215,608</u>	<u>29,173</u>	<u>244,781</u>	<u>200,523</u>	<u>44,258</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Final to Actual</u></b>
School Sponsored Athletics:					
Salaries	448,829	11,450	460,279	438,497	21,782
Salaries of Secretarial & Clerical	61,113		61,113	60,873	240
Other Purchased Services	114,038	2,945	116,983	84,403	32,580
Supplies and Materials	126,798	(408)	126,390	114,772	11,618
Other Objects	9,835	(3,000)	6,835	4,424	2,411
Total School Sponsored Athletics	<u>760,613</u>	<u>10,987</u>	<u>771,600</u>	<u>702,969</u>	<u>68,631</u>
After School Programs:					
Salaries of Teachers	37,245		37,245	30,634	6,611
Other Salaries For Instruction	39,560	13,000	52,560	46,935	5,625
Supplies and Materials	1,400		1,400	351	1,049
Total After School Programs	<u>78,205</u>	<u>13,000</u>	<u>91,205</u>	<u>77,920</u>	<u>13,285</u>
Summer School Programs					
Salaries of Teachers	31,014	(3,960)	27,054	27,054	-
Total Summer School Programs	<u>31,014</u>	<u>(3,960)</u>	<u>27,054</u>	<u>27,054</u>	<u>-</u>
Community Service Programs:					
Salaries	31,821	(9,276)	22,545	6,541	16,004
Purchased Professional Educational Services	56,448		56,448	48,954	7,494
Supplies and Materials	3,000	1,488	4,488	3,665	823
Total Community Service Programs	<u>91,269</u>	<u>(7,788)</u>	<u>83,481</u>	<u>59,160</u>	<u>24,321</u>
Total Instruction	<u>28,424,186</u>	<u>656,813</u>	<u>29,080,999</u>	<u>28,378,281</u>	<u>702,718</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 6 of 15**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Final to Actual</u></b>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - Regular	268,500	(36,910)	231,590	141,973	89,617
Tuition to Other LEA's - Special	15,000	(15,000)	-	-	-
Tuition to County Special Services - Regular	40,000	(3,500)	36,500	26,500	10,000
Tuition to County Special Services - Special	40,000	4,000	44,000	44,000	-
Tuition to CSSD & Regular Day Schools	1,403,755	(102,978)	1,300,777	1,259,898	40,879
Tuition to Private Schools - Within State	1,044,146	(99,726)	944,420	895,995	48,425
Tuition to Private Schools - Outside State	161,400	(42,239)	119,161	108,720	10,441
Tuition - State Facilities	64,612		64,612	64,612	-
Tuition - Other	55,067		55,067	53,214	1,853
Total Instruction	<u>3,092,480</u>	<u>(296,353)</u>	<u>2,796,127</u>	<u>2,594,912</u>	<u>201,215</u>
Attendance & Social Work Services:					
Salaries	216,473	10,806	227,279	227,279	-
Purchased Professional and Technical Services	33,000	(2,150)	30,850	30,850	-
Supplies and Materials		2,000	2,000	1,823	177
Total Attendance & Social Work Services	<u>249,473</u>	<u>10,656</u>	<u>260,129</u>	<u>259,952</u>	<u>177</u>
Health Services:					
Salaries	754,341	14,727	769,068	745,876	23,192
Purchased Professional and Technical Services	2,340	(1,209)	1,131	965	166
Other Purchased Services	22,910	4,395	27,305	16,275	11,030
Supplies and Materials	44,534	143	44,677	44,126	551
Total Health Services	<u>824,125</u>	<u>18,056</u>	<u>842,181</u>	<u>807,242</u>	<u>34,939</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 7 of 15**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	1,142,684	(15,658)	1,127,026	1,125,128	1,898
Purchased Professional Educational Services	428,600	83	428,683	375,161	53,522
Supplies and Materials	7,020	66	7,086	7,086	-
Total Other Support Services - Student - Related	<u>1,578,304</u>	<u>(15,509)</u>	<u>1,562,795</u>	<u>1,507,375</u>	<u>55,420</u>
Other Support Services - Extraordinary:					
Salaries	169,397	83,164	252,561	252,121	440
Purchased Professional Educational Services	275	(275)	-	-	-
Total Other Support Services - Extraordinary	<u>169,672</u>	<u>82,889</u>	<u>252,561</u>	<u>252,121</u>	<u>440</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	1,260,704	(60,418)	1,200,286	1,200,286	-
Salaries - Secretarial and Clerical	218,252	3,367	221,619	221,619	-
Other Salaries for Instruction	1,500	(800)	700	-	700
Purchased Professional Educational Services	500	(500)	-	-	-
Other Purchased Services	22,365	(1,659)	20,706	17,005	3,701
Supplies and Materials	5,527	719	6,246	4,669	1,577
Other Objects	1,300	-	1,300	1,265	35
Total Other Support Services - Students - Regular	<u>1,510,148</u>	<u>(59,291)</u>	<u>1,450,857</u>	<u>1,444,844</u>	<u>6,013</u>



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 8 of 15**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	1,709,468	(139,879)	1,569,589	1,545,610	23,979
Salaries - Secretarial & Clerical	167,068	(5,608)	161,460	161,039	421
Purchased Professional Educational Services	500	14,632	15,132	13,546	1,586
Supplies & Materials	18,639	(69)	18,570	17,490	1,080
Other Purchased Services	18,200	(1,014)	17,186	16,665	521
Other Objects	16,487	850	17,337	14,682	2,655
Total Other Support Services - Students - Special	<u>1,930,362</u>	<u>(131,088)</u>	<u>1,799,274</u>	<u>1,769,032</u>	<u>30,242</u>
Improvement of Instructional Services:					
Salaries - Supervisors of Instruction	1,160,495	(33,407)	1,127,088	1,120,782	6,306
Salaries - Other Professional Staff	44,923	2,463	47,386	19,029	28,357
Salaries - Secretarial & Clerical	142,729	23	142,752	142,752	-
Purchased Professional Educational Services	3,500	(3,500)	-	-	-
Other Purchased Services	9,900		9,900	6,776	3,124
Supplies and Materials	9,650	131	9,781	5,268	4,513
Other Objects	17,460	(1,625)	15,835	13,642	2,193
Total Improvement of Instructional Services	<u>1,388,657</u>	<u>(35,915)</u>	<u>1,352,742</u>	<u>1,308,249</u>	<u>44,493</u>
Educational Media Services/School Library:					
Salaries	399,344		399,344	394,061	5,283
Other Salaries For Instruction	232,628	(23)	232,605	219,013	13,592
Salaries of Technology Coordinators	113,147	1	113,148	113,148	-
Purchased Professional and Technical Services	45,672	10,243	55,915	49,020	6,895
Other Purchased Services	8,174	(1,396)	6,778	6,305	473
Supplies and Materials	118,988	(833)	118,155	116,421	1,734
Total Educational Media Srvs/School Library	<u>917,953</u>	<u>7,992</u>	<u>925,945</u>	<u>897,968</u>	<u>27,977</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Final to Actual</u></b>
Instructional Staff Training Services:					
Other Salaries	15,000	(100)	14,900	12,742	2,158
Purchased Professional/Educational Services	33,600	6,094	39,694	28,739	10,955
Other Purchased Services	30,000	9,761	39,761	34,111	5,650
Supplies and Materials	11,000	(458)	10,542	7,017	3,525
Other Objects	5,000	(3,029)	1,971		1,971
Total Instructional Staff Training Services	<u>94,600</u>	<u>12,268</u>	<u>106,868</u>	<u>82,609</u>	<u>24,259</u>
Support Services - General Administration:					
Salaries	310,464	10,000	320,464	310,699	9,765
Legal Services	100,000	8,046	108,046	108,046	-
Audit Services	23,400	(190)	23,210	22,700	510
Purchased Professional Services		42,377	42,377	22,302	20,075
Communications - Telephone	81,706	(6,418)	75,288	74,382	906
BOE Other Purchased Services	5,100	(87)	5,013	5,013	-
Other Purchased Services	91,257	34,191	125,448	117,423	8,025
General Supplies	2,500	200	2,700	2,508	192
BOE-Supplies	6,000		6,000	4,096	1,904
Miscellaneous	8,000	(3,179)	4,821	3,321	1,500
BOE - Membership Dues and Fees	27,195		27,195	26,727	468
Total Support Services - General Administration	<u>655,622</u>	<u>84,940</u>	<u>740,562</u>	<u>697,217</u>	<u>43,345</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Final to Actual</u></b>
Support Services - School Administration:					
Salaries Principals/Assistant Principals	1,491,597	(12,217)	1,479,380	1,444,497	34,883
Salaries - Secretarial and Clerical	642,748	30,418	673,166	666,798	6,368
Purchased Professional & Technical Services	500	500	1,000	900	100
Other Purchased Services	15,617	3,709	19,326	14,559	4,767
Supplies and Materials	20,024	14,095	34,119	25,915	8,204
Other Objects	11,400	2,900	14,300	12,509	1,791
Total Support Services - School Administration	<u>2,181,886</u>	<u>39,405</u>	<u>2,221,291</u>	<u>2,165,178</u>	<u>56,113</u>
Support Services - Central Services:					
Salaries	886,670	10,028	896,698	896,698	-
Salaries of Other Professional Staff	7,000	3,422	10,422	10,422	-
Purchased Technical Services	16,200	2,871	19,071	18,055	1,016
Other Purchased Services	2,500	20,650	23,150	14,954	8,196
Supplies and Materials	34,750	19,837	54,587	41,997	12,590
Miscellaneous Expenditures	5,704	2,562	8,266	7,472	794
Total Support Services - Central Services	<u>952,824</u>	<u>59,370</u>	<u>1,012,194</u>	<u>989,598</u>	<u>22,596</u>
Support Services - Technology Services:					
Salaries	135,758	2,305	138,063	136,028	2,035
Salaries of Secretarial & Clerical Assistants	45,000		45,000	45,000	-
Purchased Technical Services	59,382	4,400	63,782	60,806	2,976
Other Purchased Services	19,255	(6,024)	13,231	12,315	916
Supplies and Materials	8,790	62,499	71,289	70,597	692
Other Objects	950	(821)	129		129
Total Support Services - Technology Services	<u>269,135</u>	<u>62,359</u>	<u>331,494</u>	<u>324,746</u>	<u>6,748</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	354,721	1,127,690	1,482,411	954,123	528,288
General Supplies	150,000	97,041	247,041	157,219	89,822
Total Allowance Maint. For School Facilities	<u>504,721</u>	<u>1,224,731</u>	<u>1,729,452</u>	<u>1,111,342</u>	<u>618,110</u>
Operations and Maintenance of Plant Services:					
Salaries	1,655,769	159,077	1,814,846	1,761,148	53,698
Salaries for Secretarial & Clerical	57,391		57,391	57,391	-
Salaries - Other	1,422,249	(58,862)	1,363,387	1,358,354	5,033
Cleaning, Repair & Maintenance Services	484,856	601,697	1,086,553	750,165	336,388
Rental of Land and Buildings - Other Than Lease Purchase Agreements	77,586	(67,391)	10,195	8,807	1,388
Other Purchased Property Services	181,776	(15,508)	166,268	132,152	34,116
Insurance	291,440	2,870	294,310	294,310	-
Other Purchased Services	3,500	(572)	2,928	1,045	1,883
General Supplies	297,100	48,136	345,236	318,787	26,449
Energy (Electric)	625,000	36,251	661,251	461,199	200,052
Energy (Natural Gas)	540,000	(1,133)	538,867	295,215	243,652
Energy (Gasoline)	17,652	2,475	20,127	11,831	8,296
Other Objects	3,469	1,338	4,807	3,767	1,040
Total Operations and Maint. of Plant Services	<u>5,657,788</u>	<u>708,378</u>	<u>6,366,166</u>	<u>5,454,171</u>	<u>911,995</u>
Maintenance of Grounds:					
Salaries	10,000		10,000	9,699	301
Cleaning, Repair and Maintenance	118,000	110,758	228,758	187,584	41,174
General Supplies	16,580	(6,580)	10,000	9,972	28
Total Grounds	<u>144,580</u>	<u>104,178</u>	<u>248,758</u>	<u>207,255</u>	<u>41,503</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 12 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Security:					
Salaries	473,980	(2,073)	471,907	470,326	1,581
Purchased Technical Services	17,400	670	18,070	18,070	-
Purchased Services	1,450	(908)	542	541	1
Supplies and Materials	18,635	(10,072)	8,563	7,898	665
Total Security	<u>511,465</u>	<u>(12,383)</u>	<u>499,082</u>	<u>496,835</u>	<u>2,247</u>
Student Transportation Services:					
Salaries-Non Instructional Aides	105,428	37,451	142,879	141,911	968
Salaries for Pupil Trans. (Home/School - Reg.)	165,347	(119)	165,228	153,024	12,204
Salaries for Pupil Trans. (Home/School - Sp. Ed)	164,442	(43,685)	120,757	108,677	12,080
Salaries for Pupil Trans(Other than Home/School)		5,859	5,859	4,247	1,612
Purchased Professional and Technical Services	7,640	(6,511)	1,129	732	397
Equipment Repair	26,180	29,113	55,293	46,464	8,829
Bus Rental	3,464	4,500	7,964	3,235	4,729
Aid In Lieu	161,401	96,577	257,978	205,756	52,222
Contracted Services:					
(Home/School) Vendors	1,821,304	(301,264)	1,520,040	1,513,522	6,518
(Other Than Home/School) Vendors	197,539	5,989	203,528	199,327	4,201
(Special Education) Vendors	337,188	89,808	426,996	406,011	20,985
(Home/School)Joint Agreements	19,113	(15,000)	4,113	18	4,095
(Special Education) Joint Agreements	123,826	(16,535)	107,291	79,736	27,555
(Special Education) - ECSs & CTSAAs	288,972	(52,891)	236,081	218,535	17,546
Miscellaneous Purchased Services	5,000	3,181	8,181	7,559	622
Supplies and Materials	37,100	14,389	51,489	35,111	16,378
Miscellaneous	675	354	1,029	937	92
Total Transportation Services	<u>3,464,619</u>	<u>(148,784)</u>	<u>3,315,835</u>	<u>3,124,802</u>	<u>191,033</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	820,000	97,071	917,071	896,010	21,061
Other Retirement Contributions PERS	1,027,610	(54,153)	973,457	973,457	-
Unemployment Compensation	85,000		85,000	85,000	-
Workmen's Compensation	413,000	(105,688)	307,312	307,312	-
Health Benefits	8,765,645	(531,527)	8,234,118	7,763,907	470,211
Tuition Reimbursements	106,000	(4,951)	101,049	82,511	18,538
Other Employee Benefits	336,925	219,985	556,910	541,710	15,200
Total Unallocated Benefits	<u>11,554,180</u>	<u>(379,263)</u>	<u>11,174,917</u>	<u>10,649,907</u>	<u>525,010</u>
On Behalf TPAF Contributions (Non-Budgeted)			-	4,946,417	(4,946,417)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,202,825	(2,202,825)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,149,242</u>	<u>(7,149,242)</u>
Total Undistributed Expenditures	<u>37,652,594</u>	<u>1,336,636</u>	<u>38,989,230</u>	<u>43,294,597</u>	<u>(4,305,367)</u>
Total Expenditures - Current Expense	<u>66,076,780</u>	<u>1,993,449</u>	<u>68,070,229</u>	<u>71,672,878</u>	<u>(3,602,649)</u>
Capital Outlay:					
Non-Instructional Equipment	68,834	207,879	276,713	225,655	51,058
Instructional Equipment	9,700	20,300	30,000		30,000
School Buses		53,762	53,762		53,762
Total Equipment	<u>78,534</u>	<u>281,941</u>	<u>360,475</u>	<u>225,655</u>	<u>134,820</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 14 of 15

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfer</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Final to Actual</u></b>
Facilities Acquisition and Construction Services:					
Purchased Professional Technical Services	3,500	188,662	192,162	148,381	43,781
Construction Services	27,000	1,865,469	1,892,469	26,418	1,866,051
Other Objects	131,864	6,895	138,759	138,759	-
Non Instructional Equipment		11,804	11,804	11,804	-
Total Facilities Acquisition and Construction Svcs.	<u>162,364</u>	<u>2,072,830</u>	<u>2,235,194</u>	<u>325,362</u>	<u>1,909,832</u>
Total Capital Outlay	<u>240,898</u>	<u>2,354,771</u>	<u>2,595,669</u>	<u>551,017</u>	<u>2,044,652</u>
Total Expenditures	<u>66,317,678</u>	<u>4,348,220</u>	<u>70,665,898</u>	<u>72,223,895</u>	<u>(1,557,997)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(385,989)</u>	<u>(4,348,220)</u>	<u>(4,734,209)</u>	<u>1,575,467</u>	<u>6,309,676</u>
Other Financing Sources and (Uses)					
Transfer Capital Reserve to Capital Projects	(14,588)		(14,588)	(14,588)	-
Transfer Capital Reserve To Debt Service	(500,000)		(500,000)	(500,000)	-
Local Contribution to Special Revenue	(80,221)		(80,221)	(80,221)	-
Total Other Financing Sources and (Uses)	<u>(594,809)</u>	<u>-</u>	<u>(594,809)</u>	<u>(594,809)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(under) Expenditures and Other Financing Sources (Uses)	<u>(980,798)</u>	<u>(4,348,220)</u>	<u>(5,329,018)</u>	<u>980,658</u>	<u>6,309,676</u>
Fund Balance July 1	<u>9,731,568</u>		<u>9,731,568</u>	<u>9,731,568</u>	
Fund Balance June 30	<u><u>\$ 8,750,770</u></u>	<u><u>(4,348,220)</u></u>	<u><u>4,402,550</u></u>	<u><u>10,712,226</u></u>	<u><u>6,309,676</u></u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit C-1  
Sheet 15 of 15

	<b>Original Budget</b>	<b>Budget Transfer</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Final to Actual</b>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus-Designated for Subsequent Year's Expenditures				\$ 181,055	
Committed Fund Balance:					
Designated For Subsequent Years Expenditures-Capital Reserve				458,000	
Maintenance Reserve				266,924	
Capital Reserve				2,131,416	
Emergency Reserve				200,000	
Assigned Fund Balance:					
Year End Encumbrances				3,190,880	
Designated For Subsequent Years Expenditures				2,668,944	
Unassigned Fund Balance				1,615,007	
				10,712,226	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				(211,674)	
Fund Balance Per Governmental Funds (GAAP)				\$ 10,500,552	



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit C-2

Sheet 1 of 2

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 822,838		822,838	822,838	
Federal Sources	1,907,511		1,907,511	1,907,511	
Local Sources	383,120		383,120	383,120	
Total Revenues	<u>\$ 3,113,469</u>	<u>-</u>	<u>3,113,469</u>	<u>3,113,469</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 383,335		383,335	383,335	
Other Salaries for Instruction	46,970		46,970	46,970	
Purchased Professional and Technical Services	601,552		601,552	601,552	
Other Purchased Services	912,651		912,651	912,651	
General Supplies	257,258		257,258	257,258	
Textbooks	88,805		88,805	88,805	
Other Objects	2,991		2,991	2,991	
Total Instruction	<u>2,293,562</u>	<u>-</u>	<u>2,293,562</u>	<u>2,293,562</u>	<u>-</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	82,231		82,231	82,231	
Purchased Professional - Educational Services	465,887		465,887	465,887	
Other Purchased Services	141,299		141,299	141,299	
Supplies and Materials	100,797		100,797	100,797	
Other Objects	17,194		17,194	17,194	
Total Support Services	<u>807,408</u>	<u>-</u>	<u>807,408</u>	<u>807,408</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	12,499		12,499	12,499	
Total Facilities Acquisition and Construction Services	<u>12,499</u>	<u>-</u>	<u>12,499</u>	<u>12,499</u>	<u>-</u>
Total Expenditures	<u>\$ 3,113,469</u>	<u>-</u>	<u>3,113,469</u>	<u>3,113,469</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, 2016**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b><u>Sources/Inflows of Resources</u></b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 73,799,362	3,113,469
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(247,162)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	207,875	9,012
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(211,674)</u>	<u>(3,030)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 73,795,563</u>	<u>2,872,289</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 72,223,895	3,113,469
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>(247,162)</u>
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 72,223,895</u>	<u>2,866,307</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 THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 24,768,344	20,722,846	21,039,735
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 24,768,344</u>	<u>20,722,846</u>	<u>21,039,735</u>
District's Covered-Employee Payroll	\$ 7,316,171	7,501,042	7,645,151
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	29.54%	36.20%	36.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.21%	42.74%	40.71%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 933,333	857,919	897,866
Contributions in Relation to the Contractually Required Contribution	<u>933,333</u>	<u>857,919</u>	<u>897,866</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 7,316,171	7,501,042	7,645,151
Contributions as a Percentage of Covered-Employee Payroll	12.76%	11.44%	11.74%



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

Exhibit L-3

**LAST THREE FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	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>181,236,438</u>	<u>151,832,317</u>	<u>150,174,286</u>
Total	<u>\$ 181,236,438</u>	<u>151,832,317</u>	<u>150,174,286</u>
District's Covered-Employee Payroll	\$ 27,954,184	28,264,648	28,245,728
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	15.42%	18.62%	18.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	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, 2016**

	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>I.D.E.A. Basic</u>	<u>I.D.E.A Preschool</u>	<u>PBSIS</u>	<u>C &amp; D Grant</u>	<u>NJ Achievement</u>
Revenues:									
State Sources	\$ -								
Federal Sources	337,358	71,925	35,967	1,664	1,393,795	66,802			
Local Sources							1,387	6,512	179
<b>Total Revenues</b>	<b>\$ 337,358</b>	<b>71,925</b>	<b>35,967</b>	<b>1,664</b>	<b>1,393,795</b>	<b>66,802</b>	<b>1,387</b>	<b>6,512</b>	<b>179</b>
Expenditures:									
Instruction:									
Salaries of Teachers	\$ 183,645		28,669		36,688				
Other Salaries for Instruction									
Purchased Professional and Technical Svcs.	2,450					10,920			
Other Purchased Services					880,801	31,850			
General Supplies	61,128		2,574	1,664	80,969	9,509	1,387	6,512	
Textbooks									
Other Objects									
<b>Total Instruction</b>	<b>247,223</b>	<b>-</b>	<b>31,243</b>	<b>1,664</b>	<b>998,458</b>	<b>52,279</b>	<b>1,387</b>	<b>6,512</b>	<b>-</b>
Support Services:									
Personnel Services - Employee Benefits	14,049		2,193						
Purchased Professional and Technical Svcs.	53,285	47,849			355,327				
Other Purchased Services	14,675	16,513	2,531		5,251				
Supplies and Materials	8,126	7,563			28,074	14,523			179
Other Objects					6,685				
<b>Total Support Services</b>	<b>90,135</b>	<b>71,925</b>	<b>4,724</b>	<b>-</b>	<b>395,337</b>	<b>14,523</b>	<b>-</b>	<b>-</b>	<b>179</b>
Facilities Acquisition and Construction Services:									
Instructional Equipment									
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 337,358</b>	<b>71,925</b>	<b>35,967</b>	<b>1,664</b>	<b>1,393,795</b>	<b>66,802</b>	<b>1,387</b>	<b>6,512</b>	<b>179</b>

**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, 2016**

	<u>Non-Public Textbooks</u>	<u>Nursing Services</u>	<u>ESL</u>	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Corrective Speech</u>	<u>Examination &amp; Classification</u>	<u>Security</u>	<u>Supplementary Instruction</u>
Revenues:									
State Sources	88,805	206,189	9,577	55,838	21,409	33,443	123,049	42,834	66,831
Federal Sources									
Local Sources									
Total Revenues	<u>88,805</u>	<u>206,189</u>	<u>9,577</u>	<u>55,838</u>	<u>21,409</u>	<u>33,443</u>	<u>123,049</u>	<u>42,834</u>	<u>66,831</u>
Expenditures:									
Instruction:									
Salaries of Teachers									
Other Salaries for Instruction									
Purchased Professional and Technical Svcs.		206,189	9,577	55,838	21,409	33,443	123,049		66,831
Other Purchased Services									
General Supplies									
Textbooks	88,805								
Other Objects									
Total Instruction	<u>88,805</u>	<u>206,189</u>	<u>9,577</u>	<u>55,838</u>	<u>21,409</u>	<u>33,443</u>	<u>123,049</u>	<u>-</u>	<u>66,831</u>
Support Services:									
Personnel Services - Employee Benefits								2,275	
Purchased Professional/Educational Svcs.									
Other Purchased Services									
Supplies and Materials								39,439	
Other Objects								1,120	
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,834</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>88,805</u>	<u>206,189</u>	<u>9,577</u>	<u>55,838</u>	<u>21,409</u>	<u>33,443</u>	<u>123,049</u>	<u>42,834</u>	<u>66,831</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit E-1  
Sheet 3 of 3

	<u>Preschool Education</u>	<u>Non-Public Technology</u>	<u>LTEF LIS - LAB F-16</u>	<u>LTEF BMS</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 2016</u>
Revenues:											
State Sources	132,000	40,232								2,631	822,838
Federal Sources											1,907,511
Local Sources	115,292		9,665	24,952	52,876	48,548	99,906	12,499	11,304		383,120
<b>Total Revenues</b>	<b>247,292</b>	<b>40,232</b>	<b>9,665</b>	<b>24,952</b>	<b>52,876</b>	<b>48,548</b>	<b>99,906</b>	<b>12,499</b>	<b>11,304</b>	<b>2,631</b>	<b>3,113,469</b>
Expenditures:											
Instruction:											
Salaries of Teachers	134,333										383,335
Other Salaries for Instruction	46,970										46,970
Purchased Professional and Technical Svcs.		40,232			12,323	16,460			200	2,631	601,552
Other Purchased Services											912,651
General Supplies			5,391	24,952	38,674	19,822			4,676		257,258
Textbooks											88,805
Other Objects					1,843				1,148		2,991
<b>Total Instruction</b>	<b>181,303</b>	<b>40,232</b>	<b>5,391</b>	<b>24,952</b>	<b>52,840</b>	<b>36,282</b>	<b>-</b>	<b>-</b>	<b>6,024</b>	<b>2,631</b>	<b>2,293,562</b>
Support Services:											
Personnel Services - Employee Benefits	65,989										82,231
Purchased Professional/Educational Svcs.			190			6,961					465,887
Other Purchased Services							97,406		4,923		141,299
Supplies and Materials					36		2,500		357		100,797
Other Objects			4,084			5,305					17,194
<b>Total Support Services</b>	<b>65,989</b>	<b>-</b>	<b>4,274</b>	<b>-</b>	<b>36</b>	<b>12,266</b>	<b>99,906</b>	<b>-</b>	<b>5,280</b>	<b>-</b>	<b>807,408</b>
Facilities Acquisition and Construction Services:											
Construction Services								12,499			12,499
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,499</b>	<b>-</b>	<b>-</b>	<b>12,499</b>
<b>Total Expenditures</b>	<b>247,292</b>	<b>40,232</b>	<b>9,665</b>	<b>24,952</b>	<b>52,876</b>	<b>48,548</b>	<b>99,906</b>	<b>12,499</b>	<b>11,304</b>	<b>2,631</b>	<b>3,113,469</b>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit E-2

**SPECIAL REVENUE FUND**

**SCHEDULE OF PRESCHOOL EDUCATION AID**

**BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 135,517	134,333	1,184
Other Salaries of Instruction	47,906	46,970	936
General Supplies	7,354		7,354
Total Instruction	<u>190,777</u>	<u>181,303</u>	<u>9,474</u>
Support Services:			
Employee Benefits	77,337	65,989	11,348
Total Support Services	<u>77,337</u>	<u>65,989</u>	<u>11,348</u>
Total Expenditures	<u>\$ 268,114</u>	<u>247,292</u>	<u>20,822</u>

**Calculation of Budget & Carryover**

Total Revised 2015-16 Preschool Education Aid Allocation	\$ 132,000
Add: Actual PEA Carryover (June 30, 2016)	47,864
Add: Local Tuition	8,000
Add: Transfer from General Fund Budget	<u>80,221</u>
Total Preschool Education Aid Funds Available for 2015-15 Budget	268,085
Less: 2015-16 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(268,085)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2016	\$ -
Add: June 30, 2016 Unexpended Preschool Education Aid	<u>20,793</u>
2015-16 Carryover - Preschool Education Aid Program	<u>\$ 20,793</u>
2015-16 Preschool Education Aid Carryover Budgeted for Preschool Programs 2016-17	<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, 2016

<u>Issue/Project Title</u>	<u>Date Approved</u>	<u>Balance</u>	<u>Transfers</u>	<u>Adjustment</u>	<u>Prior Year</u>	<u>Current Year</u>		<u>Unexpended Balance</u>
		<u>June 30, 2015</u>		<u>Encumbrances</u>		<u>Expended</u>	<u>Encumbered</u>	
Benjamin Franklin-Heating and Ventilating and Chimney	1/6/2014	\$ 112,236	103,858	208,779	92,883	147,648	175,104	9,238
Lawrenceville Elem.-Heating and Ventilating	1/6/2014	122,677	53,760	15,646	7,823	57,806	120,609	5,845
Slackwood-Heating and Ventilating	1/6/2014	156,547	79,640	(16,559)	6,735	63,703	139,335	9,855
Eldridge Park-Heating and Ventilating	1/6/2014	105,265	46,393	49,935	9,953	41,908	140,190	9,542
Lawrence Intermediate-Heating and Ventilating	1/6/2014	448,660	(23,480)	58,680	29,340	111,248	194,046	149,226
Lawrence Middle School-Heating and Ventilating	1/6/2014	941,975	(49,600)	124,250	62,225	91,083	196,095	667,222
Lawrence High School-Chimney	1/6/2014	1,035,340	(567,057)	389,321	194,660	436,979	91,688	134,277
		<u>\$ 2,922,700</u>	<u>(356,486)</u>	<u>830,052</u>	<u>403,619</u>	<u>950,375</u>	<u>1,057,067</u>	<u>985,205</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, 2016

Revenues and Other Financing Sources

Transfer from Capital Reserve	\$ 14,588
Total Revenues	<u>14,588</u>

Expenditures

Professional Services	27,726
Construction Services	895,969
Other Objects	1,050
Total Expenditures	<u>924,745</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures (910,157)

Other Financing Sources (Uses)

Prior Year Adjustment	21,297
Adjustment State Grants	(199,569)
Adjustment for Local Receivable	208,000
Total Other Financing Sources (Uses)	<u>29,728</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) (880,429)

Fund Balance - Beginning 2,922,700

Fund Balance - Ending \$ 2,042,271

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2A

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISALTERATIONS AND ADDITIONS TO BENJAMIN FRANKLIN CHIMNEY AND HVACFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - EDA Grant	\$ 81,000		81,000	81,000
Bond Proceeds and Transfers	121,500	103,858	225,358	225,358
Total Revenues	<u>202,500</u>	<u>103,858</u>	<u>306,358</u>	<u>306,358</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services	30,339	9,600	39,939	42,000
Construction Services	62,544	194,637	257,181	264,358
Total Expenditures	<u>92,883</u>	<u>204,237</u>	<u>297,120</u>	<u>306,358</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 109,617</u>	<u>(100,379)</u>	<u>9,238</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number	2580-070-14-1012-G04			
Grant Date	1/6/14			
Original Authorized Cost	208,000			
Reduced Authorized Cost	(5,500)			
Revised Authorized Cost	306,358			
Percentage Increase Over Original Authorized Cost	33%			
Percentage Completion	66%			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2B

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE HVAC AT LAWRENCEVILLE ELEMENTARYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
EDA Grant	\$ 52,200		52,200	52,200
Transfer From Capital Reserve	78,300	53,760	132,060	132,060
Total Revenues	<u>130,500</u>	<u>53,760</u>	<u>184,260</u>	<u>184,260</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services		170,592	170,592	168,490
Professional Technical Services	7,823		7,823	15,770
Total Expenditures	<u>7,823</u>	<u>170,592</u>	<u>178,415</u>	<u>184,260</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 122,677</u>	<u>(116,832)</u>	<u>5,845</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
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	\$ 184,260			
Percentage Increase Over Original Authorized Cost	n/a			
Percentage Completion	75%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/16			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2C

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE HVAC AT SLACKWOOD SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
EDA Grant	\$ 66,600		66,600	66,600
Transfer from Capital Reserve	99,900	46,393	146,293	146,293
Total Revenues	<u>166,500</u>	<u>46,393</u>	<u>212,893</u>	<u>212,893</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services		193,085	193,085	202,893
Professional Technical Services	9,953		9,953	10,000
Total Expenditures	<u>9,953</u>	<u>193,085</u>	<u>203,038</u>	<u>212,893</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 156,547</u>	<u>(146,692)</u>	<u>9,855</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
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	\$ 212,893			
Percentage Increase Over Original Authorized Cost	n/a			
Percentage Completion	80%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/16			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2D

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE HVAC AT ELDRIDGE PARK ELEMENTARYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
EDA Grant	\$ 44,800		44,800	44,800
Transfer From Capital Reserve	67,200	79,640	146,840	146,840
Total Revenues	<u>112,000</u>	<u>79,640</u>	<u>191,640</u>	<u>191,640</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services	6,735	2,048	8,783	8,783
Construction Services		173,315	173,315	182,857
Total Expenditures	<u>6,735</u>	<u>175,363</u>	<u>182,098</u>	<u>191,640</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 105,265</u>	<u>(95,723)</u>	<u>9,542</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number	2580-080-14-1013-G04			
Grant Date	1/6/15			
Original Authorized Cost	\$ 112,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 191,640			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	90%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/16			

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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
EDA Grant	\$ 191,200		191,200	191,200
Transfer from Capital Reserve	286,800	(23,480)	263,320	263,320
Total Revenues	<u>478,000</u>	<u>(23,480)</u>	<u>454,520</u>	<u>454,520</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services	29,340		29,340	29,340
Construction Services		275,954	275,954	425,180
Total Expenditures	<u>29,340</u>	<u>275,954</u>	<u>305,294</u>	<u>454,520</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 448,660</u>	<u>(299,434)</u>	<u>149,226</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number	2580-085-14-1014-G04			
Grant Date	1/6/14			
Original Authorized Cost	\$ 478,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 454,520			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	65%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/16			



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit F-2F

**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
EDA Grant	\$ 401,600		401,600	401,600
Transfer From Capital Reserve	602,400	(49,600)	552,800	552,800
Total Revenues	<u>1,004,000</u>	<u>(49,600)</u>	<u>954,400</u>	<u>954,400</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services	62,225	(43,597)	18,628	66,000
Other Purchased Professional & Tech Services		1,050	1,050	1,000
Construction Services		267,500	267,500	887,400
Total Expenditures	<u>62,225</u>	<u>224,953</u>	<u>287,178</u>	<u>954,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 941,775</u>	<u>(274,553)</u>	<u>667,222</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number	2580-050-14-1011-G04			
Grant Date	1/6/14			
Original Authorized Cost	\$ 1,004,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 954,400			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	33%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/16			

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

Exhibit F-2G

**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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
EDA Grant	\$ 492,000	(199,569)	292,431	292,431
Transfer From Capital Reserve	738,000	(367,488)	370,512	370,512
Total Revenues	<u>1,230,000</u>	<u>(567,057)</u>	<u>662,943</u>	<u>662,943</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services	68,135	16,076	84,211	84,211
Construction Services	126,525	420,902	444,455	578,732
Total Expenditures	<u>194,660</u>	<u>436,978</u>	<u>528,666</u>	<u>662,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,035,340</u>	<u>(1,004,035)</u>	<u>134,277</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number	2580-040-14-1003-G04			
Grant Date	1/6/14			
Original Authorized Cost	\$ 1,230,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 662,943			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	6%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/16			

**PROPRIETARY FUNDS – G**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**SCHEDULE OF NET POSITION**

Exhibit G-1

**ENTERPRISE FUNDS**

**JUNE 30, 2016**

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Building Use</u>	<u>Summer</u>	<u>Total 2016</u>
<b><u>Assets</u></b>						
Current Assets:						
Cash and Cash Equivalents	\$ 191,789	29,901	4,734	4,786	13,248	244,458
Accounts Receivable:						
State	983					983
Federal	33,197					33,197
Inventory	37,198					37,198
Total Current Assets	<u>263,167</u>	<u>29,901</u>	<u>4,734</u>	<u>4,786</u>	<u>13,248</u>	<u>315,836</u>
Noncurrent Assets:						
Equipment	664,021					664,021
Accumulated Depreciation	(379,295)					(379,295)
Total Noncurrent Assets	<u>284,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,726</u>
Total Assets	<u>\$ 547,893</u>	<u>29,901</u>	<u>4,734</u>	<u>4,786</u>	<u>13,248</u>	<u>600,562</u>
<b><u>Liabilities</u></b>						
Current Liabilities:						
Accounts Payable	\$ 73,423		125			73,548
Total Liabilities	<u>\$ 73,423</u>	<u>-</u>	<u>125</u>	<u>-</u>	<u>-</u>	<u>73,548</u>
<b><u>Net Position</u></b>						
Investment in Capital Assets	\$ 284,726					284,726
Unrestricted	189,744	29,901	4,609	4,786	13,248	242,288
Total Net Position	<u>\$ 474,470</u>	<u>29,901</u>	<u>4,609</u>	<u>4,786</u>	<u>13,248</u>	<u>527,014</u>

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2016

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Building Use</u>	<u>Summer</u>	<u>Total 2016</u>
Operating Revenues:						
Local Sources:						
Daily Sales Reimbursable Programs:						
School Lunch Program	\$ 807,742					807,742
Fees	2,699	8,563	960	463	9,625	22,310
Total Operating Revenues	<u>810,441</u>	<u>8,563</u>	<u>960</u>	<u>463</u>	<u>9,625</u>	<u>830,052</u>
Operating Expenses:						
Salaries & Benefits	558,892	5,646		166		564,704
Supplies and Materials	98,252	6,922	2,194			107,368
Depreciation	32,910					32,910
Miscellaneous	107,265			14,493		121,758
Cost of Purchased Services	690,465					690,465
Management Fee	35,560					35,560
Total Operating Expenses	<u>1,523,344</u>	<u>12,568</u>	<u>2,194</u>	<u>14,659</u>	<u>-</u>	<u>1,552,765</u>
Operating Income (Loss)	<u>(712,903)</u>	<u>(4,005)</u>	<u>(1,234)</u>	<u>(14,196)</u>	<u>9,625</u>	<u>(722,713)</u>
Non-Operating Revenues:						
State Sources:						
State School Lunch Program	14,340					14,340
Federal Sources:						
National School Lunch Program	423,351					423,351
HHFKA Lunch Program	18,057					18,057
School Breakfast Program	33,726					33,726
Commodities	104,304					104,304
Total Non-Operating Revenues	<u>593,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,778</u>
Net Income (Loss)	(119,125)	(4,005)	(1,234)	(14,196)	9,625	(128,935)
Adjustment for Fixed Assets	5,161					5,161
Net Position, July 1	<u>588,434</u>	<u>33,906</u>	<u>5,843</u>	<u>18,982</u>	<u>3,623</u>	<u>650,788</u>
Net Position, June 30	<u>\$ 474,470</u>	<u>29,901</u>	<u>4,609</u>	<u>4,786</u>	<u>13,248</u>	<u>527,014</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit G-3

SCHEDULE OF CASH FLOWS

ENTERPRISE FUNDS

JUNE 30, 2016

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Building Use</u>	<u>Summer</u>	<u>Total 2016</u>
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ (712,903)	(4,005)	(1,234)	(14,196)	9,625	(722,713)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities						
Depreciation	32,910					32,910
Commodities	104,304					104,304
Change in Assets and Liabilities						
Decrease/(Increase) in Inventory	(4,164)					(4,164)
(Increase)/Decrease in Accounts Receivable	7,588					7,588
Increase/(Decrease) in Accounts Payable	(18,535)		125			(18,410)
Net Cash Used By Operating Activities	(590,800)	(4,005)	(1,109)	(14,196)	9,625	(600,485)
Cash Flows from Noncapital Financing Activities:						
Cash Received From State and Federal Reimbursements	489,474					489,474
Net Cash Provided Noncapital Financing Activities:	489,474	-	-	-	-	489,474
Net Increase/(Decrease) in Cash and Cash Equivalents	(101,326)	(4,005)	(1,109)	(14,196)	9,625	(120,636)
Cash and Cash Equivalents, July 1	293,115	33,906	5,843	18,982	3,623	355,469
Cash and Cash Equivalents, June 30	\$ 191,789	29,901	4,734	4,786	13,248	244,458

**FIDUCIARY FUND – II**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit H-1**

**TRUST AND AGENCY FUND**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**AS OF JUNE 30, 2016**

	<b>Scholarship Fund Non-Expendable Trust Fund</b>	<b>Payroll Agency</b>	<b>Student Activity</b>	<b>Summer Savings</b>	<b>Unemployment Compensation Expendable Trust</b>	<b>Total 2016</b>
Assets:						
Cash and Cash Equivalents	\$ 34,269	355,136	162,039	1,317,578	555,888	2,424,910
Total Assets	<u>34,269</u>	<u>355,136</u>	<u>162,039</u>	<u>1,317,578</u>	<u>555,888</u>	<u>2,424,910</u>
Liabilities and Fund Balances:						
Liabilities:						
Accrued Salaries - Summer Savings				1,317,578		1,317,578
Payroll Withholdings		355,136				355,136
Due to Student Groups			162,039			162,039
Total Liabilities		<u>355,136</u>	<u>162,039</u>	<u>1,317,578</u>	<u>-</u>	<u>1,834,753</u>
Net Position:						
Reserved - Scholarships	34,269					34,269
Reserved - Unemployment Benefits					555,888	555,888
Total Net Position	<u>\$ 34,269</u>				<u>555,888</u>	<u>590,157</u>



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**EXPENDABLE TRUST FUND**

**Exhibit H-2**

**COMBINING STATEMENT OF CHANGES**

**IN FIDUCIARY NET POSITION**

**JUNE 30, 2016**

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 1,314	85,000	86,314
Total Additions	<u>1,314</u>	<u>85,000</u>	<u>86,314</u>
Deductions:			
Scholarship Payments	<u>2,225</u>	<u>          </u>	<u>2,225</u>
Total Deductions	<u>2,225</u>	<u>-</u>	<u>2,225</u>
Change in Net Position	(911)	85,000	84,089
Net Position, July 1	<u>35,180</u>	<u>470,888</u>	<u>506,068</u>
Net Position, June 30	<u>\$ 34,269</u>	<u>555,888</u>	<u>590,157</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit H-3**

**STUDENT ACTIVITY AGENCY FUND**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2016**

	<b><u>Balance</u></b> <b><u>July 1, 2015</u></b>	<b><u>Cash</u></b> <b><u>Receipts</u></b>	<b><u>Cash</u></b> <b><u>Disbursements</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2016</u></b>
<b><u>Elementary Schools</u></b>				
Benjamin Franklin	\$ 1,298	12,771	12,363	1,706
Eldridge Park	4,481	10,549	11,416	3,614
Lawrenceville	1,616	13,367	14,936	47
Slackwood	1,431	5,228	4,148	2,511
Total Elementary Schools	<u>8,826</u>	<u>41,915</u>	<u>42,863</u>	<u>7,878</u>
<b><u>Junior High Schools</u></b>				
Lawrence Intermediate	7,674	14,272	13,949	7,997
Lawrence Middle	50,197	79,550	83,799	45,948
Total Junior High Schools	<u>57,871</u>	<u>93,822</u>	<u>97,748</u>	<u>53,945</u>
<b><u>Senior High Schools</u></b>				
Lawrence High	127,462	219,926	247,172	100,216
Total Senior High Schools	<u>127,462</u>	<u>219,926</u>	<u>247,172</u>	<u>100,216</u>
Total - All Schools	<u>\$ 194,159</u>	<u>355,663</u>	<u>387,783</u>	<u>162,039</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets:				
Cash and Cash Equivalents	\$ 348,548	48,210,439	48,203,851	355,136
Total Assets	<u>\$ 348,548</u>	<u>48,210,439</u>	<u>48,203,851</u>	<u>355,136</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 348,548	48,210,439	48,203,851	355,136
Total Liabilities	<u>\$ 348,548</u>	<u>48,210,439</u>	<u>48,203,851</u>	<u>355,136</u>

SUMMER SAVINGSSCHEDULE OF RECEIPTS AND DISBURSEMENTS

Exhibit H-5

JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets:				
Cash and Cash Equivalents	\$ 1,155,568	1,314,392	1,152,382	1,317,578
Total Assets	<u>\$ 1,155,568</u>	<u>1,314,392</u>	<u>1,152,382</u>	<u>1,317,578</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 1,155,568	1,314,392	1,152,382	1,317,578
Total Liabilities	<u>\$ 1,155,568</u>	<u>1,314,392</u>	<u>1,152,382</u>	<u>1,317,578</u>

**LONG-TERM DEBT – I**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**LONG-TERM LIABILITIES**

**SCHEDULE OF SERIAL BONDS**

Exhibit I-1

**JUNE 30, 2016**

	<b><u>Date of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Annual Maturities</u></b>		<b><u>Interest Rate</u></b>	<b><u>Balance July 1, 2015</u></b>	<b><u>Issued</u></b>	<b><u>Retired</u></b>	<b><u>Refunded</u></b>	<b><u>Balance June 30, 2016</u></b>
			<b><u>Date</u></b>	<b><u>Amount</u></b>						
2011 Refunding Issue	3/1/2012	\$18,450,000	3/1/2017	\$ 1,820,000	4.00%	\$ 15,720,000		1,330,000		14,390,000
			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	7/15/2016	315,000	5.30%	610,000		295,000		315,000
School Improvements	3/23/2007	9,800,000	3/1/2017	1,155,000	4.00%	2,265,000		1,110,000		1,155,000
Solar Energy	6/24/2008	10,508,000	7/15/2016	480,000	4.25%	8,503,000		460,000	6,543,000	1,500,000
			7/15/2017	500,000						
			7/15/2018	520,000						
2015 Refunding Issue	11/17/2015	6,435,000	7/15/2019	545,000	4.00%		6,435,000			6,435,000
			7/15/2020	565,000	5.00%					
			7/15/2021	585,000	2.00%					
			7/15/2022	595,000	2.50%					
			7/15/2023	615,000	5.00%					
			7/15/2024	650,000						
			7/15/2025	675,000						
			7/15/2026	710,000						
			7/15/2027	740,000	3.00%					
			7/15/2028	755,000						
						<u>\$ 27,098,000</u>	<u>6,435,000</u>	<u>3,195,000</u>	<u>6,543,000</u>	<u>23,795,000</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-2

OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2016

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2015</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2016</u>
2014 Equipment	1.20%	\$ 681,600	<u>\$ 521,600</u>	<u>171,797</u>	<u>349,803</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**Exhibit I-3**

**BUDGETARY COMPARISON SCHEDULE**

**DEBT SERVICE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Positive (Negative) Final to Actual</u></b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,909,892		2,909,892	2,909,892	
Miscellaneous	156,000		156,000	574,784	418,784
State Aid	685,516		685,516	685,516	-
Total Revenues	<u>3,751,408</u>	<u>-</u>	<u>3,751,408</u>	<u>4,170,192</u>	<u>418,784</u>
Expenditures:					
Regular Debt Service:					
Interest - Early Retirement on Bonds	24,513		24,513	24,513	-
Interest	1,082,838		1,082,838	1,049,494	33,344
Redemption of Principal	3,195,000		3,195,000	3,195,000	-
Total Regular Debt Service	<u>4,302,351</u>	<u>-</u>	<u>4,302,351</u>	<u>4,269,007</u>	<u>33,344</u>
Total Expenditures	<u>4,302,351</u>	<u>-</u>	<u>4,302,351</u>	<u>4,269,007</u>	<u>33,344</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(550,943)	-	(550,943)	(98,815)	452,128
Other Financing Sources:					
Transfer from Capital Reserve	500,000		500,000	500,000	-
Total Other Financing Sources	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	(50,943)	-	(50,943)	401,185	452,128
Fund Balance July 1	<u>50,943</u>		<u>50,943</u>	<u>50,943</u>	
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>452,128</u>	<u>452,128</u>

**STATISTICAL SECTION**

**(Unaudited)**



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

	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities</b>									
Invested in Capital Assets, net of related Debt	1 \$ 92,045,058	\$ 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 \$ 11,588,588	\$ 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 \$ (20,964,775)	\$(20,189,153)	\$ (217,983)	\$ (663,993)	\$ (819,561)	\$ (646,664)	\$ (1,348,744)	\$ (1,400,352)	\$ (692,679)
<b>Total Governmental Activities</b>	<b>\$ 82,668,871</b>	<b>\$ 86,299,082</b>	<b>\$ 106,323,040</b>	<b>\$ 105,133,134</b>	<b>\$ 108,580,025</b>	<b>\$ 108,772,145</b>	<b>\$ 109,094,873</b>	<b>\$ 109,704,195</b>	<b>\$ 113,364,685</b>
<b>Business Type Activities</b>									
Invested in Capital Assets, net of related Debt	4 \$ 284,726	\$ 312,475	\$ 335,697	\$ 372,996	\$ 290,159	\$ 351,612	\$ 385,909	\$ 113,096	\$ 70,000
Unrestricted	5 \$ 242,288	\$ 338,313	\$ 432,780	\$ 312,079	\$ 242,448	\$ 557,863	\$ 567,891	\$ 363,590	\$ 425,971
<b>Total Business Type Activities</b>	<b>\$ 527,014</b>	<b>\$ 650,788</b>	<b>\$ 768,477</b>	<b>\$ 685,075</b>	<b>\$ 532,607</b>	<b>\$ 909,475</b>	<b>\$ 953,800</b>	<b>\$ 476,686</b>	<b>\$ 495,971</b>
<b>District-wide</b>									
Invested in Capital Assets, net of related Debt	\$ 92,329,784	\$ 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	\$ 11,588,588	\$ 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	\$ (20,722,487)	\$(19,850,840)	\$ 214,797	\$ (351,914)	\$ (577,113)	\$ (88,801)	\$ (780,853)	\$ (1,036,762)	\$ (266,708)
<b>Total District Assets</b>	<b>\$ 83,195,885</b>	<b>\$ 86,949,870</b>	<b>\$ 107,091,517</b>	<b>\$ 105,818,209</b>	<b>\$ 109,112,632</b>	<b>\$ 109,681,620</b>	<b>\$ 109,048,673</b>	<b>\$ 110,180,881</b>	<b>\$ 113,860,656</b>

Source: Exhibit A-1  
from auditors file

## LAWRENCE TOWNSHIP BOARD OF EDUCATION

## CHANGES IN NET POSITION

	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:									
Governmental Activities	\$ 84,505,022	\$ 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	\$ 1,552,765	\$ 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	\$ 86,057,787	\$ 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	\$ 3,188,674	\$ 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	\$ 1,423,830	\$ 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	\$ 4,612,504	\$ 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	\$ (81,316,348)	\$ (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	\$ (128,935)	\$ (129,183)	\$ 83,402	\$ 52,092	\$ (376,868)	\$ (68,629)	\$ 157,205	\$ (76,716)	\$ 135,824
Total District-wide Net Expense	\$ (81,445,283)	\$ (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	\$ 77,686,137	\$ 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	\$ 77,686,137	\$ 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	\$ (3,630,211)	\$ 1,972,847	\$ 1,631,995	\$ (3,066,510)	\$ 1,904,407	\$ 2,333,736	\$ (1,210,301)	\$ (178,344)	\$ 10,623,998
Business Type Activities	\$ (128,935)	\$ (117,689)	\$ 83,402	\$ 152,468	\$ (376,868)	\$ (68,629)	\$ 157,205	\$ (76,716)	\$ 135,824
Total District	\$ (3,759,146)	\$ 1,855,158	\$ 1,715,397	\$ (2,914,042)	\$ 1,527,539	\$ 2,265,107	\$ (1,053,096)	\$ (255,060)	\$ 10,759,822

Source: Exhibit A-2

LAWRENCE TOWNSHIP BOARD OF EDUCATION

FUND BALANCES, GOVERNMENT FUNDS

	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund: (Note 11)									
Undesignated prior to Excess Calc.	\$ 1,615,007	\$ 1,746,175	\$ 1,557,668	\$ 1,626,499	\$ 2,413,906	\$ 2,750,733	\$ 2,173,003	\$ 2,855,091	\$ 2,782,925
Reserved: Excess Surplus From Audited Year	\$ -	\$ 181,055	\$ 26,210	\$ 76,872	\$ 1,358,370	\$ 1,283,198	\$ 686,596	\$ 1,578,299	\$ 1,416,348
Total Unreserved Surplus	<u>\$ 1,615,007</u>	<u>\$ 1,565,120</u>	<u>\$ 1,531,458</u>	<u>\$ 1,549,627</u>	<u>\$ 1,055,536</u>	<u>\$ 1,467,535</u>	<u>\$ 1,486,407</u>	<u>\$ 1,276,792</u>	<u>\$ 1,366,577</u>
All Other Governmental Funds: All funds within Debt Service or Capital Projects are designated into subsequent year's and reserved.									
Unreserved, Reported in:									
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund Balance (I Schedules)	\$ 452,128	\$ 50,943	\$ 86,443	\$ 77,610	\$ 262,576	\$ 138,679	\$ 5,169	\$ 204,393	\$ 402,189
Total Reserved for Future Years	<u>\$ 452,128</u>	<u>\$ 50,943</u>	<u>\$ 86,443</u>	<u>\$ 77,610</u>	<u>\$ 262,576</u>	<u>\$ 138,679</u>	<u>\$ 5,169</u>	<u>\$ 204,393</u>	<u>\$ 402,189</u>
Undesignated/Unreserved Debt Service Fund Balance	\$ -				\$ -	\$ -			
Total All Other Government Funds	<u>\$ 1,615,007</u>	<u>\$ 1,565,120</u>	<u>\$ 1,531,458</u>	<u>\$ 1,549,627</u>	<u>\$ 1,055,536</u>	<u>\$ 1,467,535</u>	<u>\$ 1,486,407</u>	<u>\$ 1,276,792</u>	<u>\$ 1,366,577</u>

Source: Note 11/I Schedules

LAWRENCE TOWNSHIP BOARD OF EDUCATION

GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

J-4

Note: This form to be in agreement with C Schedule

	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	Actual 15/16
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	62,210,439
Tuition charges	1,698,468	247,353	54,943	291,377	189,186	17,412	56,516	111,909	132,741	186,659	229,125
Interest earnings	5,000	622,215	447,616	149,941	51,248	22,683	1,201	-	11,305	5,677	28,056
Miscellaneous	528,597	29,920	134,076	194,988	139,904	296,308	598,710	228,705	326,548	331,528	274,057
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	3,642,467	5,867,128	3,836,623
State On Behalf	3,817,095	5,790,147	6,100,317	4,160,860	4,448,009	4,182,843	5,127,519	6,135,855	5,327,016	4,011,298	7,149,242
Federal					44,818	37,846	213,591	81,336	55,612	114,053	71,819
Total revenue	63,368,009	65,771,803	67,035,498	65,988,601	66,555,521	64,740,913	66,565,871	67,740,967	68,995,014	71,202,339	73,799,361
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	17,956,093	18,833,020
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	5,464,216	6,044,097
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	2,247,839	2,433,537
Athletic/Co-Curricular/Other Instructional	777,473	873,045	856,357	890,737	1,016,822	924,445	844,885	849,657	855,908	911,440	1,008,466
Community Services	12,336	211,075	125,842	104,588	125,722	69,683	82,216	74,457	71,715	67,165	59,160
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	26,646,753	28,378,280
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	2,594,912
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	6,699,482	6,938,534
Support Services-Instructional Staff								1,220,650	1,226,189	1,323,856	1,308,249
Support Services Instructional Staff Training								130,494	99,746	84,311	82,609
General Administration	869,078	602,606	628,622	682,475	584,912	698,851	733,687	579,603	640,105	631,209	697,217
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	2,165,178
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	989,598
Technology	510,337	537,552	540,365	519,076	297,306	285,276	374,414	289,819	317,067	400,957	324,746
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	7,269,603
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	3,124,801
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	10,649,908
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	4,946,417
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	2,202,825
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	43,294,597
Total Capital Outlay	1,296,797	974,178	516,108	840,539	83,091	1,238,039	2,843,309	2,079,257	2,342,076	1,317,558	551,017
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	68,454,441	68,424,020	69,223,094	72,223,894
Excess(Deficiency) of Revenue Over (Under) Expc	2,884,204	735,546	634,704	534,879	435,938	473,713	(158,129)	(713,178)	570,944	1,979,245	1,575,467
Other Financing	(343,576)	134,156	-	-	-	-	-	296	-	(2,852,015)	(594,809)
Fund Balance July 1	5,415,087	7,955,715	8,825,417	9,460,121	9,995,000	10,430,938	10,904,650	10,746,522	10,033,344	10,604,338	9,731,568
Fund Balance June 30	7,955,715	8,825,417	9,460,121	9,995,000	10,430,938	10,904,650	10,746,521	10,033,344	10,604,288	9,731,568	10,712,226

Source: CAFR  
Input Source: Total

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

	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Interest on Capital Reserve</u>	<u>Miscellaneous</u>	<u>Prior Year Refunds</u>	<u>Total</u>
<b>2005</b>	3,217,514	115,513	5,000	27,661	49,891	3,415,579
<b>2006</b>	1,731,111	364,283	5,000	50,479	87,000	2,237,873
<b>2007</b>	246,953	622,215	-	29,920	-	899,088
<b>2008</b>	54,943	447,616		93,833	40,243	636,635
<b>2009</b>	291,377	141,157	8,784	140,707	54,282	636,307
<b>2010</b>	189,186	40,599	10,648	80,800	59,105	380,338
<b>2011</b>	17,412	19,217	3,466	270,134	26,172	336,401
<b>2012</b>	56,516	1,148	52	579,593	19,120	656,430
<b>2013</b>	111,909	-	-	207,098	21,607	340,614
<b>2014</b>	132,741	6,676	4,630	253,495	73,053	470,595
<b>2015</b>	186,659	13,839	5,677	201,957	107,755	515,887
<b>2016</b>	229,125	25,092	2,964	213,193	60,864	531,238

Miscellaneous includes: Miscellaneous & Prior Year Refunds

Note 1. In 2012 LTBOE closed enterprise accounts and deposited funds into the Miscellaneous account totaling \$415,332. These funds are to be deposited into the Capital Reserve account at year end.

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>
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%
2016	\$4,518,639,368	\$4,992,932,395	90.92%

Source: Abstract of Ratables

<http://www.state.nj.us/treasury/taxation/pdf/lpt/ratables/mercer2016.pdf>

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

J-7

<b>Assessment Year</b>	<b>Lawrence School District</b>	<b>Lawrence Township</b>	<b>Mercer County</b>	<b><u>TOTAL</u></b>
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
2016	\$1.46	\$0.53	\$0.64	\$2.63

Source: 2016 Abstract of Ratables

<http://www.state.nj.us/treasury/taxation/pdf/lpt/ratables/mercerc2016.pdf>

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-8

SCHEDULE OF PRINCIPAL TAXPAYERS

FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Taxpayer</u>	<u>Assessed Valuation</u> <u>2015</u>	<u>As a % of</u> <u>total Net Assessed</u> <u>Taxable Valuation</u>
1. Bristol-Myers Squibb	\$ 313,610,192	6.92%
2. Quakerbridge Mall	\$ 144,600,000	3.19%
3. Education Testing Service	\$ 133,954,000	2.96%
4. Avalon Properties	\$ 109,849,600	2.43%
5. Lenox Driver Office Park	\$ 101,771,500	2.25%
6. Mercer Mall	\$ 98,170,000	2.17%
7. Steward crossing	\$ 26,917,200	0.59%
8. Princeton Pike Office Park	\$ 24,853,200	0.55%
9. Macy's	\$ 20,250,000	0.48%
10. Lawrence Shopping Center	\$ 21,797,800	0.45%



LAWRENCE TOWNSHIP BOARD OF EDUCATION  
J-9  
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>
2006	\$ 98,877,252	\$ 97,724,919	98.83%
2007	\$ 103,069,578	\$ 101,304,333	98.29%
2008	\$ 108,201,491	\$ 106,109,644	98.07%
2009	\$ 109,807,602	\$ 107,854,632	98.22%
2010	\$ 110,758,573	\$ 108,938,583	98.36%
2011	\$ 110,140,985	\$ 107,259,518	97.38%
2012	\$ 113,704,529	\$ 111,156,711	97.76%
2013	\$ 117,248,644	\$ 115,018,142	98.10%
2014	\$ 120,759,033	\$ 119,604,852	99.04%
2015	\$ 120,739,573	\$ 119,927,040	99.04%
2016	\$ 124,208,569		

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	30,163,000		30,163,000	33,472	\$ 901
2015	27,098,000		27,098,000	33,472	\$ 810
2016	23,795,000		23,795,000	33,472	\$ 711

Census Data

<http://lwd.dol.state.nj.us/labor/lpa/dmograph/est/mcd/merest.htm>

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

<b><u>Fiscal Year</u></b> <b><u>Ended June 30,</u></b>	<b><u>Lawrence Twp</u></b> <b><u>Population</u></b>	<b><u>Net Assessed</u></b> <b><u>Valuation Taxable</u></b>	<b><u>Net Bonded</u></b> <b><u>Debt of District</u></b>	<b><u>Ratio of Bonded</u></b> <b><u>Debt to Assessed</u></b> <b><u>Value</u></b>	<b><u>Net Bonded</u></b> <b><u>Debt</u></b> <b><u>Per Capita</u></b>
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	33,472	\$4,584,134,874	\$ 30,163,000	0.66%	\$901
2015	33,472	\$4,535,517,584	\$ 27,098,000	0.60%	\$810
2016	33,472	\$4,518,639,368	\$ 23,795,000	0.53%	\$711

Source: Abstract of Ratables, County Board of Taxation.  
School District records.

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, 2015 \$26,235,000

Net Overlapping Debt of School District:

Lawrence Township 26,999,945

Mercer County - Township's Share 44,752,694

Ewing-Lawrence Sewer Authority - Township's Share \$0

Mercer County Improvement Authority-Township's Share \$0

Total Direct and Overlapping Bonded Debt as of December 31, 2015 \$97,987,639

LAWRENCE TOWNSHIP BOARD OF EDUCATION

COMPUTATION OF LEGAL DEBT MARGIN

<u>Year</u>	<u>Equalized Valuation Basis</u>
2016	\$ 4,986,951,873
2015	\$ 4,981,540,090
2014	\$ 4,842,328,168
2013	\$ 4,785,811,978
2012	\$ 4,953,965,051
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

<b>Average 3 years Equalized Valuation of Taxable Property</b>	\$ 4,936,940,044
<b>School Borrowing Margin</b>	\$ 197,477,602
<b>Net Bonded School Debt as of June 30, 2016</b>	\$ 23,795,000
<b>School Borrowing Margin Available</b>	<u>\$ 173,682,602</u>

	<b>2016</b>
Debt Limit	\$ 197,477,602
Net Debt	\$ 23,795,000

Legal Debt Margin  
NJSA: 18A: 24-19

DEMOGRAPHIC 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
2015	3.6%	N/A	33,472

[http://lwd.dol.state.nj.us/labor/lpa/employ/uirate/lfest\\_index.html](http://lwd.dol.state.nj.us/labor/lpa/employ/uirate/lfest_index.html)

Select "Employment & Wages" then "Unemployment rate and Labor Force Estimates"

Per Capita Income from U.S. Bureau of Economic Analysis

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>	<u>2016</u>
Regular	272	270	280	297	286	291	281	285	283	282	275	269
Special Education	51	69	71	63	66	64	64	105	105	106	113	107
Other Special Education	-	-	-	-	-	-	-					
Vocational	-	-	-	-	-	-	-					
Other Instruction	-	-	-	-	-	-	-	1	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	115
General administration	3	3	3	4	4	4	4	3	3	3	3	3
School administrative services	13	13	13	13	13	13	12	23	23	23	22	23
Central Services	45	53	53	47	45	23	23	12	12	11	11	14
Admin. Information Technology	9	7	7	9	9	12	12	3	3	3	3	4
Plant operations & maintenance	48	60	63	53	52	52	48	68	71	68	65	82
Pupil Transportation				3	5	3	5	7	8	8	11	10
Other support services	76	80	85	104	95	110	112 *					
	-	-	-	-	-	-	-					
	-	-	-	1	1	1	1		1	2	2	2
	-	-	-	-	-	-	-					
	567	613	634	657	636	639	623	628	619	616	616	630

**Source:** District Personnel Records

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



OPERATING STATISTICSLAST TEN FISCAL YEARS

Fiscal Year	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
2004	51,272,958	\$12,179	8.29%	4,210	4,007	95.2%
2005	52,706,712	\$12,431	2.03%	4,240	4,002	94.4%
2006	57,131,711	\$13,642	8.88%	4,188	3,963	94.6%
2007	59,496,107	\$14,934	8.65%	3,984	3,791	95.2%
2008	60,500,474	\$15,461	3.41%	3,913	3,738	95.5%
2009	62,092,862	\$15,952	3.07%	3,893	3,709	95.3%
2010	64,583,074	\$16,444	2.99%	3,927	3,754	95.6%
2011	60,569,823	\$15,320	-7.34%	3,954	3,790	95.9%
2012	62,696,481	\$15,665	2.20%	4,002	3,845	96.1%
2013	64,318,588	\$15,980	1.97%	4,025	3,852	95.7%
2014	64,677,005	\$16,129	0.92%	4,010	3,834	95.6%
2015	65,966,114	\$16,566	2.64%	3,982	3,814	95.8%
2016	65,669,461	\$16,761	1.16%	3,918	3,752	95.8%

## Notes:

Enrollment based on annual final reported attendance figures

"Operating Expenditures" are reported on a Budgetary Basis.

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

(See Btotal)

<u>SCHOOL:</u>	<u>Sq. Ft.</u>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
LAWRENCE HIGH SCHOOL	240,388	\$ 87,364	\$ 174,633	\$ 224,297	199,589	172,356	173,741	172,269	401,138	255,144	282,968	\$ 330,582
LAWRENCE MIDDLE SCHOOL	86,123	\$ 79,144	\$ 61,239	\$ 27,537	51,555	89,464	141,461	79,251	284,165	321,354	306,114	\$ 166,145
BEN FRANKLIN	62,829	\$ 30,161	\$ 33,962	\$ 20,280	33,869	25,168	37,680	47,618	42,879	70,098	93,433	\$ 81,556
ELDRIDGE PARK	34,673	\$ 24,089	\$ 25,539	\$ 47,677	55,030	25,987	30,863	32,740	42,174	66,340	72,480	\$ 168,498
LAWRENCE INTERMEDIATE	100,742	\$ 139,321	\$ 40,120	\$ 37,009	48,241	33,954	37,126	80,898	115,682	88,510	197,306	\$ 143,906
LAWRENCEVILLE ELEMENTARY	51,684	\$ 53,135	\$ 34,258	\$ 13,678	109,904	54,322	31,341	79,644	112,832	42,287	109,226	\$ 100,881
SLACKWOOD ELEMENTARY	43,518	\$ 37,085	\$ 54,525	\$ 17,466	55,800	33,338	51,240	52,159	88,974	93,132	77,918	\$ 119,774
		\$ 450,299	\$ 424,278	\$ 387,944	\$ 553,987	\$ 434,589	\$ 503,453	\$ 544,579	1,087,844	936,864	1,139,445	1,111,342

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

INSURANCE SCHEDULEJUNE 30, 2016

<u>Multi Peril Package Policy</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Company</u>
<u>Property</u>			
Blanket Building & Contents	151,126,902	5,000	NJSIG
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		NJSIG
Spoilage	500,000		
<u>Commercial Liability</u>			NJSIG
Bodily Injury /Property Damage	11,000,000		
Fire Damage (Legal)	11,000,000		
Medical Expense	5,000/10,000		
Employee Benefits Liability	11,000,000		
<u>Crime</u>			NJSIG
Money & Securities	50,000		
Employee Dishonesty	1,000,000		
<u>Business Auto</u>			NJSIG
Bodily Injury & Property Damage	11,000,000		
Personal Injury Protection	Yes		
Medical Payments	10,000		
Uninsured/Underinsured	1,000,000		
Garagekeepers	1,000,000		
<u>School Board Legal Liability</u>			NJSIG
Section "A"	11,000,000		
Section "B"	100,000/300,000		
<u>Catastrophe Excess</u>			Fireman's Fund
Limit of Liability	50,000,000		
<u>Workers Compensation Policy</u>			NJSIG
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>			Bolinger
Compulsory( including Athletics)	5,000,000		
<u>Bonds</u>			SELECTIVE
Treasurer of School Monies	355,000		
Business Administrator	100,000		
<u>Environmental Impairment Liability</u>			AIG
Occurrence/Aggregate	1,000,000		

**SINGLE AUDIT SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

121.

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, 2016, 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 1, 2016.

## **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **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 1, 2016

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

123.

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

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 *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 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 state programs for the year ended June 30, 2016. 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; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance and New Jersey OMB's Circular 15-08, 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 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, 2016.

### **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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, 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, and 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 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 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

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

December 1, 2016

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustment	Balance at June 30, 2016				
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor at		
U.S. Department of Education: General Fund																	
Medical Assistance Program(SEMI)	93.778	1605NJ5MAP	N/A	71,819	7/1/2015	6/30/2016	\$ -	-	71,819	(71,819)	-	-	-	-	-	-	-
U.S. Department of Education: Passed Through State Department of Education:																	
Special Revenue Fund:																	
Title I	84.010A	S010A150030	NCLB16	396,163	9/1/2015	8/31/2016			198,952	(295,039)							(96,087)
Title I	84.010A	S010A150030	NCLB15	385,376	9/1/2014	8/31/2015	(109,334)		151,653	(42,319)							(42,319)
Title IIA	84.367A	S367A150029	NCLB16	68,749	9/1/2015	8/31/2016			31,655	(34,524)							(34,524)
Title IIA	84.367A	S367A150029	NCLB15	99,989	9/1/2014	8/31/2015	(3,041)		40,372	(37,401)		70					(37,401)
Title III	84.365A	S365A150030	NCLB16	31,061	9/1/2015	8/31/2016			8,042	(8,042)							(8,042)
Title III	84.365A	S365A150030	NCLB15	61,872	9/1/2014	8/31/2015	(3,106)		31,031	(27,925)							(27,925)
Title III Immigrant	84.365A	S365A150030	NCLB16	20,927	9/1/2015	8/31/2016				(1,664)							(1,664)
Title III Immigrant	84.365A	S365A150030	NCLB15	29,048	9/1/2014	8/31/2015	(13,853)		13,853								
Special Education Cluster:																	
IDEA Basic	84.027	H027A150100	IDEA16	1,388,908	9/1/2015	8/31/2016			952,879	(1,078,984)							(126,105)
IDEA Basic	84.027	H027A150100	IDEA15	1,584,294	9/1/2014	8/31/2015	(312,527)		627,338	(314,811)							(314,811)
IDEA Preschool	84.173	H173A150114	IDEA16	40,556	9/1/2015	8/31/2016			11,455	(27,765)							(27,765)
IDEA Preschool	84.173	H173A150114	IDEA15	44,370	9/1/2014	8/31/2015	(330)		39,357	(39,037)		10					(39,037)
Total U.S. Department of Education							(442,191)	-	2,106,587	(1,907,511)	-	80	(243,035)	-	-	-	-
U.S. Department of Agriculture - Passed Through State Department of Education:																	
Child Nutrition Cluster:																	
National School Lunch Program	10.555	16161NJ304N1099	N/A	423,351	7/1/2015	6/30/2016			393,992	(423,351)							(29,359)
National School Lunch Program	10.555	16161NJ304N1099	N/A	409,861	7/1/2014	6/30/2015	(35,951)		35,951								
HHFKA	10.555	16161NJ304N1099	N/A	18,122	7/1/2014	6/30/2015	(1,605)		1,605								
HHFKA	10.555	16161NJ304N1099	N/A	18,056	7/1/2015	6/30/2016			16,776	(18,056)							(1,280)
School Breakfast Program	10.553	16161NJ304N1099	N/A	33,726	7/1/2015	6/30/2016				(33,726)							
School Breakfast Program	10.553	16161NJ304N1099	N/A	29,806	7/1/2014	6/30/2015	(2,977)		2,977								
Food Distribution Program	10.550	16161NJ304N1099	N/A	104,304	7/1/2015	6/30/2016			104,304	(104,304)							
Total U.S. Dept. of Agriculture							(40,533)	-	555,605	(579,437)	-	-	(30,639)	-	-	-	-
Total Federal Financial Assistance							\$ (482,724)	-	2,734,011	(2,558,767)	-	80	(273,674)	-	-	-	-

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  
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**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2016	Deferred Revenue June 30, 2016	Due to Grantor at June 30, 2015	MEMO		
			From	To	Deferred Revenue Accts. Receivable	Due To Grantor									Budgetary Receivable	Total Cumulative Expenditures	
General Fund:																	
Special Education Aid	16-495-034-5120-089	\$ 2,353,591	7/1/2014	6/30/15	\$ -			2,353,591	(2,353,591)							(144,856)	2,353,591
Security Aid	16-495-034-5120-084	417,886	7/1/2014	6/30/15				417,886	(417,886)							(19,146)	417,886
Transportation Aid	16-495-034-5120-014	612,017	7/1/2014	6/30/15				612,017	(612,017)							(36,318)	612,017
PARCC Readiness Aid	16-495-034-5120-098	40,410	7/1/2014	6/30/15				40,410	(40,410)							(4,162)	40,410
Per Pupil Growth Aid	16-495-034-5120-097	40,410	7/1/2014	6/30/15				40,410	(40,410)							(4,162)	40,410
Extraordinary Aid	15-495-034-5120-044	257,545	7/1/2014	6/30/15	(257,545)			257,545									
Extraordinary Aid	16-495-034-5120-044	305,897	7/1/2015	6/30/16					(305,897)			(305,897)					305,897
Transportation Cost in Excess	16-495-034-5120-014	66,412	7/1/2015	6/30/16					(66,412)			(66,412)					66,412
Transportation Cost in Excess	15-495-034-5120-014	45,293	7/1/2012	6/30/13	(45,293)			45,293									
Reimbursed Social Security Aid	16-100-034-5095-003	2,202,825	7/1/2015	6/30/16				2,097,152	(2,202,825)			(105,673)					2,202,825
Reimbursed Social Security Aid	15-100-034-5095-002	2,097,696	7/1/2014	6/30/15	(104,236)			104,236									
Total General Fund					(407,074)		-	5,968,540	(6,039,448)	-	-	(477,982)	-	-		(208,644)	6,039,448
Special Revenue:																	
Preschool Education	16-495-034-5120-086	132,000	7/1/2015	6/30/16				132,000	(132,000)							(3,030)	132,000
N.J. Nonpublic Aid:																	
Textbooks	16-100-034-5120-064	89,705	7/1/2015	6/30/16				89,705	(88,805)					900			88,805
Textbooks	15-100-034-5120-064	96,698	7/1/2014	6/30/15		8,050					(8,050)						
Nursing Services	16-100-034-5120-070	246,420	7/1/2015	6/30/16				246,420	(206,189)					40,231			206,189
Technology	15-100-034-5120-373	51,936	7/1/2014	6/30/15		248					(248)						
Technology	16-100-034-5120-373	40,846	7/1/2015	6/30/16				40,846	(40,232)					614			40,232
Security	16-100-034-5120-084	68,450	7/1/2015	6/30/16				68,450	(42,834)					25,616			42,834
English as a Second Language	15-100-034-5120-067	9,135	7/1/2014	6/30/15		7,765					(7,765)						
English as a Second Language	16-100-034-5120-067	9,577	7/1/2015	6/30/16				9,577	(9,577)								9,577
Compensatory Education	16-100-034-5120-067	78,681	7/1/2015	6/30/16				78,681	(55,838)					22,843			55,838
Compensatory Education	15-100-034-5120-067	97,642	7/1/2014	6/30/15		34,488					(34,488)						
Transportation	16-100-034-5120-067	21,409	7/1/2015	6/30/16				21,409	(21,409)								21,409
Home Instruction	16-100-034-5120-067	2,631	7/1/2015	6/30/16					(2,631)			(2,631)					2,631
Exam. and Class. - Initial	15-100-034-5120-066	107,088	7/1/2014	6/30/15		22,677					(22,677)						
Exam. and Class.	16-100-034-5120-066	143,331	7/1/2015	6/30/16				143,331	(123,049)					20,282			123,049
Exam. and Class. - Annual	15-100-034-5120-066	38,988	7/1/2014	6/30/15		1,805					(1,805)						
Corrective Speech	15-100-034-5120-066	36,666	7/1/2014	6/30/15		5,390					(5,390)						
Corrective Speech	16-100-034-5120-066	56,017	7/1/2015	6/30/16				56,017	(33,443)					22,574			33,443
Supplementary Instruction	16-100-034-5120-066	66,831	7/1/2015	6/30/16				66,831	(66,831)								66,831
Supplementary Instruction	15-100-034-5120-066	64,503	7/1/2014	6/30/15		5,337					(5,337)						
Total Special Revenue Fund					-	85,760	-	953,267	(822,838)	-	-	(85,760)	(2,631)	133,060		(3,030)	822,838
Capital Projects:																	
State Grant Ben Franklin Chimney/HVAC	2580-070-14-1012-G04	81,000	1/6/2014	6/30/16	(81,000)							(81,000)					
State Grant Lawrenceville Elementary HVAC	2580-090-14-1015-G04	52,200	1/6/2014	6/30/16	(52,200)							(52,200)					
State Grant Slackwood HVAC	2580-100-14-1016-G04	66,600	1/6/2014	6/30/16	(66,600)							(66,600)					
State Grant Eldridge Park HVAC	2580-080-14-1013-G04	44,800	1/6/2014	6/30/16	(44,800)							(44,800)					
State Grant Lawrence Intermediate HVAC	2580-085-14-1014-G04	191,200	1/6/2014	6/30/16	(191,200)							(191,200)					
State Grant Lawrence Middle HVAC	2580-050-14-1011-G04	401,600	1/6/2014	6/30/16	(401,600)							(401,600)					
State Grant Lawrence High HVAC	2580-040-14-1003-G04	492,000	1/6/2014	6/30/16	(492,000)					199,569		(292,431)					
Total Capital Projects					(1,329,400)		-	-	-	-	199,569	(1,129,831)	-	-		-	-
Debt Service:																	
Debt Service Aid Type II	16-495-034-5120-125	685,516	7/1/2015	6/30/16				685,516	(685,516)								685,516
State Department of Agriculture																	
Enterprise Fund:																	
National School Lunch Program:																	
State Share	15-100-010-3350-023	14,761	7/1/2014	6/30/15	(1,235)			1,235									14,340
State Share	16-100-010-3350-023	14,340	7/1/2015	6/30/16				13,357	(14,340)			(983)					14,340
Total Enterprise Fund					-		-	14,592	(14,340)	-	-	(983)	-	-		-	14,340
Total State Financial Assistance					\$ (1,736,474)	85,760	-	7,621,915	(7,562,142)	199,569	(85,760)	(1,611,427)	-	133,060	(211,674)	7,562,142	

**BOARD OF EDUCATION**

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**LAWRENCE TOWNSHIP SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2016****NOTE 1: General**

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

**NOTE 2: Basis of Accounting**

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

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

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>					
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 6,039,448	822,838	685,516	14,340	7,562,142
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized		(162,494)			(162,494)
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	4,946,417				4,946,417
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>(3,799)</u>	<u>5,982</u>	_____	_____	<u>2,183</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 10,982,066</u>	<u>666,326</u>	<u>685,516</u>	<u>14,340</u>	<u>12,348,248</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of Federal					
Awards	\$ 71,819	1,907,511		579,437	2,558,767
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>2,592</u>	_____	_____	<u>2,592</u>
Total Federal Revenue as					
Reported on the Statement					
of Revenue, Expenditures,					
and Changes in Fund					
Balances	<u>\$ 71,819</u>	<u>1,910,103</u>	_____	<u>579,437</u>	<u>2,561,359</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, 2016. 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, 2016. 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 Preschool and Title IIA, for a net of \$80.

Adjustments were made to Schedule B as follows:

A Capital Projects State Grant was cancelled for \$199,569.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 1 - Summary of Auditor's Results*

**Financial Statement Section**

(A) Type of auditor's report issued:	<u>Unmodified</u>
(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>\$750,000</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 Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards 2 CFR 200	_____ Yes <u>  x  </u> No
(I) Identification of major programs:	

**CFDA Number(s)**

84.027  
84.173

**Name of Federal Program or Cluster**

I.D.E.A. Part B (Special Education Cluster)  
I.D.E.A. Preschool (Special Education Cluster)

**LAWRENCE TOWNSHIP SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2016***Part I - Summary of Auditor's Results (Continued)***State Awards Section**

- (J) Dollar threshold used to determine Type A programs: \$750,000
- (K) Auditee qualified as low-risk auditee?  x  Yes   No
- (L) Type of auditor's report on compliance for major programs: Unmodified
- (M) Internal control over compliance:
- (1) Material Weakness(es) identified?   Yes  x  No
- (2) Were reportable condition(s) identified that were not considered to material weaknesses?   Yes  x  No
- (N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08?   Yes  x  No
- (O) Identification of major programs:

**GMIS Number(s)**

16-495-034-5120-014

16-495-034-5120-084

16-495-034-5120-089

16-495-034-5120-098

16-495-034-5120-097

16-495-034-5095-002

**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)

Reimbursed Social Security



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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*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, 2016**

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

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

**FEDERAL AWARDS**

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

**STATE AWARDS**

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

**Prior Audit Findings:**

None