

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
TOWNSHIP OF LAWRENCE
BOARD OF EDUCATION
CEDARVILLE, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Prepared by
Township of Lawrence Board of Education
Finance Department**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
OUTLINE OF CAFR**

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INTRODUCTORY SECTION

LAWRENCE TOWNSHIP BOARD OF EDUCATION

225 Main Street
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Phone (856) 447-4409 Fax (856) 447-3446

Dr. Shellemarie Magan x5000
Chief School Administrator

Lisa M. DiNovi x5690
Business Administrator / Board Secretary

November 22, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Lawrence Township School District for the fiscal year ended June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Lawrence Township 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 operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities has been included.

The comprehensive annual financial report 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 basic financial statement and schedules, as well as auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08*, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditors 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.

1. REPORTING ENTITY AND ITS SERVICES:

Lawrence Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Lawrence Township Board of Education and the school district constitute the reporting entity.

Lawrence Township School District provides a full range of educational services appropriate to grades Pre-K through 8. These include regular as well as special education for handicapped youngsters. The District enrollment on October 14, 2016 was 472. The following chart illustrates the district's enrollment over the past five years. All enrollment data has been footed to the October 14th report done annually.

Enrollment Data

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2016-17	472
2015-16	486
2014-15	499
2013-14	510
2012-13	504

2. ECONOMIC CONDITION AND OUTLOOK:

Lawrence Township is a rural community encompassing 37.35 square miles in Cumberland County, New Jersey. It is bordered on the north by Fairfield Township, on the east by Millville, on the south by Downe Township, and on the west by the Delaware Bay. Lawrence Township is primarily a farming community with few opportunities within its boundaries for industrial employment. The majority of the employed population works outside of the community in the neighboring cities of Bridgeton, Vineland and Millville.

3. MAJOR INITIATIVES:

The Board of Education believes in educating the whole child and within its limited financial resources, provides a comprehensive after-school child care and student activities program. The Board of Education and Administration subscribe to a discipline code that takes into consideration the individual needs of the students as well as the student body in its entirety.

Professional development for the staff is encouraged and numerous opportunities are provided during the year for staff involvement in the most recent trends for successful schools.

It has been the philosophy of the Lawrence Township Board of Education that students attending the district should not only meet state standards, but exceed them as often as possible; particularly in the content areas of math, reading, and writing. Recognizing that this task cannot be accomplished in one year, the Board has strived to implement a comprehensive Response to Intervention Program. Consequently, local standards are set at a level higher than state standards (particularly in the primary grades) which allows a greater number of students to participate in the RTI Program.

Emphasis is placed on those areas in which a child demonstrates a weakness, with the intent on having the student master all deficiencies as they progress through the elementary grades and be better prepared for the task of exceeding state standards, and for a successful future in college or career.

4. INTERNAL ACCOUNTING CONTROLS:

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue 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 canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2017.

6. ACCOUNTING SYSTEM AND REPORTS:

The Districts 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 I.

7. FINANCIAL INFORMATION AT FISCAL YEAR END:

As demonstrated by the various statements and schedules included in the financial section of the report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2017 the amount and percentage of increases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase / (Decrease) for June 30, 2017	Percent of Increase (Decrease)
Local Source	\$ 2,367,812.	23.14%	\$ (12,078.)	-51%
State Sources	7,409,662.	72.41%	149,152.	2.01%
Federal Sources	454,900.	4.45%	14,099.	-3.10%
TOTAL	\$ 10,232,374.	100.00%	\$ 151,173.	1.48%

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2017.

Expenditures	Amount	Percent of Total	Increase / (Decrease)for June 30, 2017	Percent of Increase (Decrease)
Current Expense:				
Instruction	\$ 3,185,835.	31.30%	\$ 199,318.	6.26%
Undistributed Expenditures	6,535,150.	64.20%	(21,648.)	-0.33%
Capital Outlay	56,287.	0.55%	(21,102.)	-37.49%
Debt Service	402,019.	3.95%	(5,519.)	-1.37%
TOTAL	\$ 10,179,291.	100.00%	\$ 151,049.	1.48%

8. DEBT ADMINISTRATION:

On December 27, 2007, the District issued school refinancing bonds in the amount of \$2,345,000. The proceeds were used to re-pay the remaining balance of a 1998 bond issue. On January 7, 2010, the District issued school bonds in the amount of \$2,216,000. The proceeds are being used for an addition and various renovations to the Myron L Powell Elementary School. As of June 30, 2017, the total remaining principal balance is \$2,276,000.

9. 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 that requires it to deposit public funds in public depositories, protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from 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 in New Jersey where the funds are secured in accordance with the Act.

10. 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.

11. OTHER INFORMATION:

Independent Audit - State statutes requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Triantos and Delp, CPAs, LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08*. The auditors report on the general purpose financial statements and combining and individual fund statements and schedules are 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.

12. ACKNOWLEDGMENTS:

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

Respectfully submitted,



Shelley Marie Magan
Chief School Administrator



Lisa M. DiNovi
Business Administrator/Board Secretary

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on 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 Cumberland, in the State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board of Education'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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

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 Lawrence Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pension, and Notes to the Required Supplemental Information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lawrence Township Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform Guidance)*, and schedule of expenditures of state awards as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying introductory information, statistical sections, combining and individual non-major fund financial statements are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual non-major fund financial statements, schedule of expenditures of federal awards, and schedule of expenditure of state awards are the responsibility of management and were derived from and relate 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 standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual non-major fund financial statements, schedule of expenditures of federal awards, and schedule expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

The introductory informational and statistical section have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2017 on our consideration of the Lawrence Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lawrence Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

November 22, 2017

REQUIRED SUPPLEMENTARY INFORMATION–PART I

MANAGEMENT'S DECISION AND ANALYSIS

LAWRENCE TOWNSHIP BOARD OF EDUCATION

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Cedarville, NJ 08311

Phone (856) 447-4409 Fax (856) 447-0521

Dr. Shelley Marie Magan x5000
Chief School Administrator

Lisa M. DiNovi x5690
Business Administrator / Board Secretary

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Lawrence Township Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district.

- The first two statements are *district-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in more detail than the district-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short and long-term* financial information about the activities that the district operates *like businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1
Major Features of District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability Information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term; the District's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and deferred outflows and liabilities and deferred inflows - are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

- *Business-type activities* - The District charges fees to help it cover the cost for certain services it provides. The District's food services program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has four kinds of funds:

- *Governmental Fund* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explain the relationship (or differences between them).
- *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
- *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (student transportation). LTBOE currently has an internal service fund for shared Business services.
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (in thousands)

Net position. The District's *combined* net position is \$6,019 on June 30, 2017 (see Table A-1). The majority of the total net position is attributed to governmental activities (99%).

Changes in net position. The District's total revenues are \$12,191 for the fiscal period ending June 30, 2017 (see Table A-2). Property taxes and state formula aid accounted for 77% of the District's revenue. 20% is derived from state and federal aid for specific programs, and the remainder, 3% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students 54%. The purely administrative activities of the District accounted for 5% of total costs.

Governmental Activities

Revenues for the District's governmental activities amounted to \$11,814. Total expenses amounted to \$11,895. The decrease in net position in governmental activities was \$81 for 2017.

Business-type Activities

Revenues of the District's business-type activities amounted to \$377, and expenses were \$373. Factors contributing to these results included:

- Food Services: Contracted Service
- Child Care services had \$25 in revenue in excess of expenses
- Transfer of pension related items to the General Fund was \$18.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (in thousands)

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$1,926 including \$103 in the Capital Projects Fund. The District controlled expenditures.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for the following purpose:

- Transfers between budgetary line accounts to prevent overruns

The District's final budget anticipated utilizing \$396 in fund balance and \$50 of prior year encumbrances to fund the appropriation plan for this fiscal period. Actual operations resulted in an increase in the general fund balance of \$174.

Actual expenditures for capital outlay amounted to \$56 in the Operating Fund, \$0 in the Special Revenue Fund and \$0 in the Capital Projects Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION (in thousands)

Capital Assets

By the end of 2017, the District had invested \$11,256 in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (see Table A-3) (more detailed information about capital assets can be found in Note 7 to the financial statements.) Total depreciation expense for the year was \$294 while building improvements and additions to equipment and furniture amounted to \$16.

Long-term Debt

At year end, the District had outstanding bonds in the amount of \$2,276 and capital leases payable of \$0. (More detailed information about long term debt can be found in Note 9 to the financial statements.)

The state limits the amount of general obligation debt the District can issue to 3% of the equalized valuation of all taxable property within the District. The current limit is \$6,425 of which \$4,148 is available for the issuance of the debt.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Becoming a choice district has helped the district maintain current programs, however, the restriction on the amount the school may raise in taxes is always a concern for future budgets and any unforeseen expenditures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lisa M. DiNovi, School Business Administrator, Lawrence Township Board of Education, 225 Main Street, Cedarville, NJ 08311.

Table A-1
Lawrence Township Board of Education's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2016-2017
	2016	2017	2016	2017	2016	2017	
Current and Other Assets	\$ 2,540.	\$ 2,578.	\$ 123.	\$ 228.	\$ 2,663.	\$ 2,806.	5.4%
Capital Assets	7,818.	7,539.	30.	27.	7,848.	7,566.	-3.6%
Total Assets	\$ 10,358.	\$ 10,117.	\$ 153.	\$ 255.	\$ 10,511.	\$ 10,372.	-1.3%
Deferred Outflows of Resources	\$ 518.	\$ 1,004.	\$ 18.	\$ 31.	\$ 0.	\$ 1,035.	0.0%
Current Liabilities	\$ 648.	\$ 281.	\$ 24.	\$ 132.	\$ 672.	\$ 413.	-38.5%
Noncurrent Liabilities	4,173.	4,894.	73.	77.	4,246.	4,971.	17.1%
Total Liabilities	\$ 4,821.	\$ 5,175.	\$ 97.	\$ 209.	\$ 4,918.	\$ 5,384.	9.5%
Deferred Inflows of Resources	\$ 32.	\$ 4.	\$ 2.	\$ 0.	\$ 0.	\$ 4.	0.0%
Net Position							
Invested in Capital Assets							
Net of Related Debt	\$ 5,232.	\$ 5,263.	\$ 30.	\$ 27.	\$ 5,262.	\$ 5,290.	0.5%
Restricted	2,224.	2,253.	0.	0.	2,224.	2,253.	1.3%
Unrestricted	(1,433.)	(1,574.)	42.	50.	(1,391.)	(1,524.)	9.6%
Total Net Position	\$ 6,023.	\$ 5,942.	\$ 72.	\$ 77.	\$ 6,095.	\$ 6,019.	-1.2%

Table A-2
Lawrence Township Board of Education's
Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2016-2017
	2016	2017	2016	2017	2016	2017	
Revenues							
Program Revenues							
Charges for Services	\$ 106.	\$ 181.	\$ 141.	\$ 162.	\$ 247.	\$ 343.	38.9%
Federal & State Categorical Grants	1,161.	2,278.	199.	197.	1,360.	2,475.	82.0%
General Revenues							
Property Taxes	2,353.	2,346.	0.	0.	2,353.	2,346.	-0.3%
State Formula Aid	7,418.	7,006.	0.	0.	7,418.	7,006.	-5.6%
Other	(11.)	3.	(58.)	18.	(69.)	21.	-130.4%
Total Revenues	\$11,027.	\$11,814.	\$ 282.	\$ 377.	\$11,309.	\$12,191.	7.8%
Expenses							
Instruction - Related	\$ 3,139.	\$ 3,376.	\$ 0.	\$ 0.	\$ 3,139.	\$ 3,376.	7.6%
Student Support Services	3,174.	2,926.	321.	373.	3,495.	3,299.	-5.6%
Maintenance & Operations	453.	492.	0.	0.	453.	492.	8.6%
Transportation	645.	647.	0.	0.	645.	647.	0.3%
Administration	566.	611.	0.	0.	566.	611.	8.0%
Other	2,988.	3,843.	0.	0.	2,988.	3,843.	28.6%
Total Expenses	\$10,965.	\$11,895.	\$ 321.	\$ 373.	\$11,286.	\$12,268.	8.7%
Increase/ (decrease) in Net Position	\$ 62.	\$ (81.)	\$ (39.)	\$ 4.	\$ 23.	\$ (77.)	-0.9%

Table A-3
Lawrence Township Board of Education's Capital Assets
(Net of Depreciation)
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2016-2017
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	
Land	\$ 25.	\$ 25.	\$ 0.	\$ 0.	\$ 25.	\$ 25.	0.0%
Construction in Progress	0.	0.	0.	0.	0.	0.	0.0%
Site Improvements	27.	23.	0.	0.	27.	23.	-14.8%
Buildings & Improvements	7,666.	7,402.	0.	0.	7,666.	7,402.	-3.4%
Machinery & Equipment	95.	85.	35.	31.	130.	116.	-10.8%
Total	<u>\$ 7,813.</u>	<u>\$ 7,535.</u>	<u>\$ 35.</u>	<u>\$ 31.</u>	<u>\$ 7,848.</u>	<u>\$ 7,566.</u>	<u>-3.6%</u>

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,259,502	\$ 150,821	\$ 2,410,323
Receivables, Net	318,364.	71,596.	389,960.
Inventory	0.	5,418.	5,418.
Capital Assets, Net	7,539,369.	26,729.	7,566,098.
Total Assets	<u>10,117,235.</u>	<u>254,564.</u>	<u>10,371,799.</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>1,003,985.</u>	<u>31,139.</u>	<u>1,035,124.</u>
LIABILITIES:			
Accounts Payable	65,230.	115,418.	180,648.
Interfund Payable	(1,200.)	1,200.	0.
Pension Account Payable	74,158.	2,329.	76,487.
Unearned Revenue	115,152.	13,712.	128,864.
Accrued Interest	27,809.	0.	27,809.
Noncurrent Liabilities			
Due within One Year	315,000.	0.	315,000.
Due in More than One Year	2,106,167.	0.	2,106,167.
Net Pension Liability	2,472,384.	77,151.	2,549,535.
Total Liabilities	<u>5,174,700.</u>	<u>209,810.</u>	<u>5,384,510.</u>
DEFERRED INFLOWS OF RESOURCES:	<u>3,894.</u>	<u>165.</u>	<u>4,059.</u>
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	5,263,369.	26,729.	5,290,098.
Restricted for:			
Capital Projects	786,258.	0.	786,258.
Other Purposes.	1,467,289.	0.	1,467,289.
Unrestricted	(1,574,290.)	48,999.	(1,525,291.)
Total Net Position	<u>\$ 5,942,626.</u>	<u>\$ 75,728.</u>	<u>\$ 6,018,354.</u>

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
	Expenses	Capital Grants and Contributions		Total
Governmental activities:				
Instruction:				
Regular	\$ 2,491,312.	\$ 0.	\$ (2,491,312.)	\$ (2,491,312.)
Special education	801,951.	0.	(801,951.)	(801,951.)
Other special instruction	46,438.	0.	(46,438.)	(46,438.)
Other instruction	37,200.	0.	(37,200.)	(37,200.)
Support services:				
Tuition	2,205,357.	0.	(2,205,357.)	(2,205,357.)
Student & instruction related services	721,161.	0.	(721,161.)	(721,161.)
School administrative services	213,150.	0.	(213,150.)	(213,150.)
General and business administrative services	200,877.	0.	(200,877.)	(200,877.)
Central services	170,954.	0.	(170,954.)	(170,954.)
Admin info tech	25,714.	0.	(25,714.)	(25,714.)
Plant operations and maintenance	492,244.	0.	(492,244.)	(492,244.)
Pupil transportation	646,848.	0.	(646,848.)	(646,848.)
Employee benefits	3,543,968.	2,278,263.	(1,265,705.)	(1,265,705.)
Interest on long-term debt	88,489.	0.	(88,489.)	(88,489.)
NJ debt service assessment	40,020.	0.	(40,020.)	(40,020.)
Internal service fund	170,747.	0.	10,253.	10,253.
Total governmental activities	11,896,430.	2,278,263.	(9,437,167.)	(9,437,167.)
Business-type activities:				
Food Service	339,540.	196,732.	0.	(21,183.)
Child Care	33,418.	0.	0.	7,077.
Total business-type activities	372,958.	196,732.	0.	(14,106.)
Total primary government	\$ 12,269,388.	\$ 2,474,995.	\$ (9,437,167.)	\$ (9,451,273.)
General revenues:				
Taxes:				
Property taxes, levied for general purposes, net		\$ 2,204,384.	\$ 0.	\$ 2,204,384.
Taxes levied for debt service		141,813.	0.	141,813.
Federal and State aid not restricted		6,138,972.	0.	6,138,972.
Federal and State aid restricted		866,762.	0.	866,762.
Investment Earnings		6,384.	166.	6,550.
Miscellaneous Income		15,231.	0.	15,231.
Transfer of Pension Related Items		(17,749.)	17,749.	0.
Total general revenues, special items, extraordinary items and transfers		9,355,797.	17,915.	9,373,712.
Change in Net Position		(81,370.)	3,809.	(77,561.)
Net Position—beginning		6,023,996.	71,919.	6,095,915.
Net Position—ending		\$ 5,942,626.	\$ 75,728.	\$ 6,018,354.

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 1,684,085.	\$ 0.	\$ 102,684.	\$ 0.	\$ 0.	\$ 1,786,769.
Tax levy receivable	183,692.	0.	0.	11,826.	0.	195,518.
Due from other funds	61,469.	0.	0.	0.	0.	61,469.
Receivables from other governments	62,191.	140,597.	0.	0.	0.	202,788.
Total assets	\$ 1,991,437.	\$ 140,597.	\$ 102,684.	\$ 11,826.	\$ 0.	\$ 2,246,544.
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 65,230.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 65,230.
Interfund payable	78,742.	49,643.	0.	11,826.	0.	140,211.
Unearned revenue	0.	115,152.	0.	0.	0.	115,152.
Total liabilities	143,972.	164,795.	0.	11,826.	0.	320,593.
Fund Balances:						
Restricted for:						
Excess surplus - current year	218,891.	0.	0.	0.	0.	218,891.
Excess surplus - designated for subsequent year's expenditures	275,202.	0.	0.	0.	0.	275,202.
Maintenance reserve	338,000.	0.	0.	0.	0.	338,000.
Emergency reserve	250,000.	0.	0.	0.	0.	250,000.
Capital reserve	683,574.	0.	0.	0.	0.	683,574.
Tuition reserve	365,000.	0.	0.	0.	0.	365,000.
Capital projects	0.	0.	102,684.	0.	0.	102,684.
Committed to:						
Other purposes	1,014.	0.	0.	0.	0.	1,014.
Assigned to:						
Designated by BOE for subsequent year's expenditures	19,182.	0.	0.	0.	0.	19,182.
Unassigned:						
General fund	(303,398.)	0.	0.	0.	0.	(303,398.)
Special revenue fund	0.	(24,198.)	0.	0.	0.	(24,198.)
Total fund balances	1,847,465.	(24,198.)	102,684.	0.	0.	1,925,951.
Total liabilities and fund balances	\$ 1,991,437.	\$ 140,597.	\$ 102,684.	\$ 11,826.	\$ 0.	

Amounts reported for *governmental activities* in the statement of net assets (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 \$11,255,937. and the accumulated depreciation is \$3,720,593. (See Note 7) \$ 7,535,344.

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. (See Note 9) (2,448,976.)

Internal service fund net position 364,849.

Pension related items:

Deferred outflow of resources	\$ 931,492.	
Deferred inflow of resources	(3,593.)	
Pension account payable	(68,790.)	
Net pension liability	(2,293,651.)	
Total pension related items		(1,434,542.)

Net assets of governmental activities \$ 5,942,626.

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local sources:						
Local tax levy	\$ 2,204,384.	\$ 0.	\$ 0.	\$ 141,813.	\$ 0.	\$ 2,346,197.
Interest earned	6,384.	0.	0.	0.	0.	6,384.
Miscellaneous	12,910.	2,321.	0.	0.	0.	15,231.
Total local sources	2,223,678.	2,321.	0.	141,813.	0.	2,367,812.
State sources	6,997,800.	296,657.	0.	115,205.	0.	7,409,662.
Federal sources	0.	454,900.	0.	0.	0.	454,900.
Total revenues	9,221,478.	753,878.	0.	257,018.	0.	10,232,374.
EXPENDITURES:						
Current:						
Regular instruction	2,329,641.	0.	0.	0.	0.	2,329,641.
Special education instruction	165,793.	606,763.	0.	0.	0.	772,556.
Other special instruction	46,438.	0.	0.	0.	0.	46,438.
Other instruction	37,200.	0.	0.	0.	0.	37,200.
Support services:						
Tuition	2,205,357.	0.	0.	0.	0.	2,205,357.
Student & instruction related services	687,977.	33,184.	0.	0.	0.	721,161.
Other administrative services	162,664.	0.	0.	0.	0.	162,664.
School administrative services	174,937.	0.	0.	0.	0.	174,937.
Central services	170,954.	0.	0.	0.	0.	170,954.
Admin Info Tech	25,714.	0.	0.	0.	0.	25,714.
Plant operations and maintenance	465,789.	0.	0.	0.	0.	465,789.
Pupil transportation	646,848.	0.	0.	0.	0.	646,848.
Employee benefits	1,856,506.	105,220.	0.	0.	0.	1,961,726.
Debt service:						
Principal	0.	0.	0.	310,000.	0.	310,000.
Interest and other charges	0.	0.	0.	92,019.	0.	92,019.
Capital outlay	56,287.	0.	0.	0.	0.	56,287.
Total expenditures	9,032,105.	745,167.	0.	402,019.	0.	10,179,291.
Excess (deficiency) of revenues over exp.	189,373.	8,711.	0.	(145,001.)	0.	53,083.
OTHER FINANCING SOURCES (USES):						
Transfers in	0.	0.	0.	145,000.	0.	145,000.
Transfers out	0.	0.	(145,000.)	0.	0.	(145,000.)
Prior year adjustment	0.	0.	0.	0.	0.	0.
Total other financing sources and uses	0.	0.	(145,000.)	145,000.	0.	0.
Net change in fund balance	189,373.	8,711.	(145,000.)	(1.)	0.	53,083.
Fund balance—July 1	1,658,092.	(32,909.)	247,684.	1.	0.	1,872,868.
Fund balance—June 30	\$ 1,847,465.	\$ (24,198.)	\$ 102,684.	\$ 0.	\$ 0.	\$ 1,925,951.

See Accompanying Notes to the Basic Financial Statements

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, 2017

Total net changes in fund balances - governmental funds (from B-2)	\$	53,083.
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.		
	Depreciation expense	(293,947.)
	Capital outlays	16,267.
		(277,680.)
Adjustment to fixed assets		
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.		
Principal paid on bonds	310,000.	
Principal paid on lease purchase	0.	310,000.
		3,530.
Decrease in accrued interest		
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds of long-term debt	0.	
Capital lease proceeds	0.	0.
		26,594.
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Increase in pension expense		(1,608,836.)
Increase in on-behalf pension payments		1,419,435.
Transfer of pension related items		(17,749.)
Increase in internal service fund		10,253.
Change in net position of governmental activities	\$	(81,370.)

See Accompanying Notes to the Financial Statements

PROPRIETARY FUNDS

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2017

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>		<u>Total</u> <u>Enterprise</u>	<u>Governmental</u> <u>Activities</u>
	<u>Food</u> <u>Service</u>	<u>Latchkey</u> <u>Program</u>		<u>Internal</u> <u>Service Fund</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 118,535.	\$ 32,286.	\$ 150,821.	\$ 472,733.
Accounts receivable:				
State	185.	0.	185.	0.
Federal	11,159.	0.	11,159.	0.
Interfund	39,987.	6,601.	46,588.	0.
Other	11,524.	2,140.	13,664.	0.
Inventories	5,418.	0.	5,418.	0.
Total current assets	<u>186,808.</u>	<u>41,027.</u>	<u>227,835.</u>	<u>472,733.</u>
Noncurrent assets:				
Furniture, machinery & equipment	127,109.	0.	127,109.	10,117.
Less accumulated depreciation	<u>(100,380.)</u>	<u>0.</u>	<u>(100,380.)</u>	<u>(6,092.)</u>
Total noncurrent assets	<u>26,729.</u>	<u>0.</u>	<u>26,729.</u>	<u>4,025.</u>
Total assets	<u>\$ 213,537.</u>	<u>\$ 41,027.</u>	<u>\$ 254,564.</u>	<u>\$ 476,758.</u>
DEFERRED OUTFLOW OF RESOURCES:	<u>\$ 31,139.</u>	<u>\$ 0.</u>	<u>\$ 31,139.</u>	<u>\$ 72,493.</u>
LIABILITIES:				
Current Liabilities:				
Accounts payable	\$ 115,418.	\$ 0.	\$ 115,418.	\$ 0.
Pension account payable	2,329.	0.	2,329.	5,368.
Interfund accounts payable	0.	1,200.	1,200.	0.
Prepaid Summer Camp tuition	0.	13,712.	13,712.	0.
Total current liabilities	<u>117,747.</u>	<u>14,912.</u>	<u>132,659.</u>	<u>5,368.</u>
Long-term debt:				
Net pension liability	<u>77,151.</u>	<u>0.</u>	<u>77,151.</u>	<u>178,733.</u>
Total liabilities	<u>194,898.</u>	<u>14,912.</u>	<u>209,810.</u>	<u>184,101.</u>
DEFERRED INFLOW OF RESOURCES:	<u>\$ 165.</u>	<u>\$ 0.</u>	<u>\$ 165.</u>	<u>\$ 301.</u>
NET POSITION:				
Invested in capital assets net of related debt	26,729.	0.	26,729.	4,025.
Unrestricted	22,884.	26,115.	48,999.	360,824.
Total net position	<u>\$ 49,613.</u>	<u>\$ 26,115.</u>	<u>\$ 75,728.</u>	<u>\$ 364,849.</u>

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2017

	Business-Type Activities Enterprise Fund		Total Enterprise	Governmental Activities -
	Food Service	Latchkey Program		Internal Service Fund
Operating revenues:				
Changes for services:				
Daily sales-reimbursable programs	\$ 39,349.	\$ 0.	\$ 39,349.	\$ 0.
Daily sales-nonreimbursable pgms	82,276.	0.	82,276.	0.
Charges for services	0.	40,495.	40,495.	181,000.
Total operating revenues	121,625.	40,495.	162,120.	181,000.
Operating expenses				
Cost of sales - reimbursable	100,549.	0.	100,549.	0.
Cost of sales - nonreimbursable	29,653.	0.	29,653.	0.
Salaries and fringe benefits	145,921.	26,710.	172,631.	168,008.
Miscellaneous	4,359.	0.	4,359.	1,399.
General Supplies	18,937.	6,708.	25,645.	190.
Repairs and Maintenance	1,653.	0.	1,653.	0.
Management fees	35,000.	0.	35,000.	0.
Depreciation	3,468.	0.	3,468.	1,150.
Total operating expenses	339,540.	33,418.	372,958.	170,747.
Operating income/(loss) before transfer	(217,915.)	7,077.	(210,838.)	10,253.
Operating transfer in/out:				
Operating transfer in/(out)	0.	0.	0.	0.
Operating income/(loss)	(217,915.)	7,077.	(210,838.)	10,253.
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	2,778.	0.	2,778.	0.
Federal sources:				
National school breakfast program	34,686.	0.	34,686.	0.
National school lunch program	128,924.	0.	128,924.	0.
National afterschool snack	8,517.	0.	8,517.	0.
Food distribution program	21,827.	0.	21,827.	0.
Interest	102.	64.	166.	0.
Total nonoperation revenues (expenses)	196,834.	64.	196,898.	0.
Transfer of pension related items	0.	17,749.	17,749.	0.
Change in net position	(21,081.)	24,890.	3,809.	10,253.
Total net position- beginning	70,694.	1,225.	71,919.	354,596.
Total net position - ending	\$ 49,613.	\$ 26,115.	\$ 75,728.	\$ 364,849.

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR YEAR ENDED JUNE 30, 2017

	Business-Type Activities Enterprise Funds		Total Enterprise	Governmental Activities - Internal Service Fund
	Food Service Fund	Latchkey Program		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers/grantors	\$ 61,293.	\$ 47,116.	\$ 108,409.	\$ 181,000.
Payments to suppliers	(163,562.)	(5,318.)	(168,880.)	(1,589.)
Payments to employees	(39,169.)	(31,648.)	(70,817.)	(153,278.)
Other receipts/(payments)	47,456.	0.	47,456.	0.
Net cash provided by (used for) operating account	<u>(93,982.)</u>	<u>10,150.</u>	<u>(83,832.)</u>	<u>26,133.</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	3,125.	0.	3,125.	0.
Federal Sources	191,729.	0.	191,729.	0.
Transfer	0.	0.	0.	0.
Net cash provided by (used for) non-capital financing activities	<u>194,854.</u>	<u>0.</u>	<u>194,854.</u>	<u>0.</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	102.	64.	166.	0.
Net cash provided by investing activities	<u>102.</u>	<u>64.</u>	<u>166.</u>	<u>0.</u>
Net increase (decrease) in cash and cash equivalents	100,974.	10,214.	111,188.	26,133.
Balances - beginning of year	17,561.	22,072.	39,633.	446,600.
Balances - end of year	<u>\$ 118,535.</u>	<u>\$ 32,286.</u>	<u>\$ 150,821.</u>	<u>\$ 472,733.</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (217,915.)	\$ 7,077.	\$ (210,838.)	\$ 10,253.
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	3,468.	0.	3,468.	1,150.
Federal commodities	21,827.	0.	21,827.	0.
Transfers	0.	17,749.	17,749.	0.
Change in assets and liabilities:				
(Increase)/decrease in accts rec., net	(11,524.)	(1,038.)	(12,562.)	0.
(Increase)/decrease in inventories	2,813.	0.	2,813.	0.
(Increase)/decrease in intergovernmental receivable	298.	(4,748.)	(4,450.)	0.
(Increase)/decrease in outflow of resources	(14,969.)	2,290.	(12,679.)	(34,927.)
Increase/(decrease) in accounts payable	100,737.	(936.)	99,801.	1.
Increase/(decrease) in interfund accounts payable	0.	1,200.	1,200.	0.
Increase/(decrease) in prepaid latchkey	0.	7,659.	7,659.	0.
Increase/(decrease) in deferred inflow of resources	(907.)	(1,156.)	(2,063.)	(2,120.)
Increase/(decrease) in net pension liability	22,190.	(17,947.)	4,243.	51,776.
Total adjustments	<u>123,933.</u>	<u>3,073.</u>	<u>127,006.</u>	<u>15,880.</u>
Net cash provided by (used for) operating activities	<u>\$ (93,982.)</u>	<u>\$ 10,150.</u>	<u>\$ (83,832.)</u>	<u>\$ 26,133.</u>

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2017

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Payroll/ Agency Fund	Student Activity
ASSETS:				
Cash and Cash Equivalents	\$ 86,736.	\$ 10,485.	\$ 5,367.	\$ 16,642.
Due from Agency	6,229.	0.	0.	0.
Interfund Receivable	30,000.	0.	3,353.	0.
Total Assets	<u>\$ 122,965.</u>	<u>\$ 10,485.</u>	<u>\$ 8,720.</u>	<u>\$ 16,642.</u>
DEFERRED OUTFLOW OF RESOURCES:				
	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>
LIABILITIES:				
Due to Student Groups	\$ 0.	\$ 0.	\$ 0.	\$ 16,642.
Due to Payroll Withholdings	0.	0.	2,491.	0.
Due to Unemployment	0.	0.	6,229.	0.
Total Liabilities	<u>0.</u>	<u>0.</u>	<u>8,720.</u>	<u>16,642.</u>
DEFERRED INFLOW OF RESOURCES:				
	<u>0.</u>	<u>0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>
NET POSITION:				
Held in Trust for Unemployment Claims	<u>\$ 122,965.</u>			
Reserved for Scholarships		<u>\$ 10,485.</u>		

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS:		
Contributions:		
Plan Member	\$ 7,317.	\$ 0.
Other	0.	2,853.
Board Contribution	30,000.	0.
Total Contributions	<u>37,317.</u>	<u>2,853.</u>
Investment Earnings:		
Interest	173.	19.
Net Investment Earnings	<u>173.</u>	<u>19.</u>
DEDUCTIONS:		
Scholarships Awarded	0.	0.
Unemployment Claims	6,997.	201.
Other	173.	0.
Total Deductions	<u>7,170.</u>	<u>201.</u>
Change in Net Position	30,320.	2,671.
NET POSITION, JULY 1	<u>92,645.</u>	<u>7,814.</u>
NET POSITION, JUNE 30	<u>\$ 122,965.</u>	<u>\$ 10,485.</u>

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lawrence Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A chief school administrator is appointed by the Board and is responsible for the administrative control of the District.

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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity

The Lawrence Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of five (5) members elected to three (3) year terms. The purpose of the district is to educate students in grades K-8. The Lawrence Township School District had an enrollment at June 30, 2017 of 472 students.

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

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

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

B. Basic Financial Statements – Governmental Wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities column (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Program revenue include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenue, are presented as general revenues of the school district.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, federal and state aid, interest income, etc.).

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Basic Financial Statements – Governmental Wide Financial Statements – (Continued)

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by a category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category of the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

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

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

- b. Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. 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.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

Fund Balances – Governmental Funds

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

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

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted or unrestricted fund balance is available, the District considers restricted funds to be spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the District considers amounts to have been spent first out of committed, then assigned funds and finally unassigned funds as needed.

2. Proprietary Funds:

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

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users of goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district and a latchkey program to provide afterschool child care to the students of the district.
- b. Internal Service Fund are used to charge costs for certain activities to individual funds or other governmental entities. The District's internal service fund is comprised of shared business service with other LEA's.

3. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the entity-wide statements.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

All fund internal activity is eliminated when carried to the Government-wide statements.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Financial Statement Amounts

1. Cash and Cash Equivalents:

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public funds in public depositories protected from loss under the provisions of the Government 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.

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is transferred to the general or debt service fund.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

3. Inventories:

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

On district-wide financial statements and in the 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, 2017.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extended the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs other than those reported in the enterprise fund are reported in the period when inventory items are purchased, rather than in the period used.

7. Compensated Absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

7. **Compensated Absences:** (Continued)

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. **Interfund Activity:**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. **Budgets/Budgetary Control:**

Annual appropriation 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 for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

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

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

10. **Tuition Receivables:**

Tuition charges were established by the Boards of Education based on estimated costs. The nonresident tuition charge for fiscal years 2016/17 was \$0.

11. **Tuition Payable:**

Tuition charges for the fiscal years 2016/17 were based on rates established by the receiving district. These rates are subjected to change when the actual costs have been determined.

12. **Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

13. Allocation of Costs:

In the government-wide statement of activities, the District has not allocated unallocated benefits to various programs.

14. Pensions

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

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and 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 stated at cost. All other investments are stated at fair value.

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

- a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of 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.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2017, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq, establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution 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.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

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 Jersey, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits: (Continued)

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2017, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking account	\$ 2,529,905.
TOTAL	\$ 2,529,905.

Custodial Credit Risk:

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of GUDPA Act as previously described.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2017, the District's bank balance \$2,719,082 and was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000.
Collateralized under GUDPA	2,469,082.
TOTAL	\$ 2,719,082.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by New Jersey school districts for the accumulation of funds for 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 deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73 (S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$688,000 as shown in the approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 482,609.
Interest earnings	965.
Deposits	
Approved in 2016/2017 Budget	0.
Board Resolution	200,000.
Withdrawals	
Approved 2016/2017 Budget	0.
Board Resolution	0.
Total Withdrawals	0.
Ending balance, June 30, 2017	\$ 683,574.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 - MAINTENANCE RESERVE

The Maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.* 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C.* 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 year is as follows:

Beginning Balance July 1, 2016	\$ 338,000.
Deposits – Board Resolution	0.
Withdrawals – Board Resolution	0.
Ending balance June 30, 2017	\$ 338,000.

The June 30, 2017 maximum maintenance reserve amount is \$338,322.

NOTE 5 - EMERGENCY RESERVE

The emergency reserve is used to accumulate funds in accordance with *N.J.S.A.* 18A:7F-41c (1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2016 to June 30, 2017 year is as follows:

Beginning Balance, July 1, 2016	\$ 250,000.
Deposits:	
Approved in 2016/2017 Budget	0.
Withdrawals	0.
Ending balance, June 30, 2017	\$ 250,000.

NOTE 6 - TUITION RESERVE ACCOUNTS

If at the end of the contract year a district board of education anticipates that a large tuition adjustment will be required in the second year following the contract year, the district board of education may restrict fund balance up to 10 percent of the estimated tuition cost in the contract year, in a reserve for tuition adjustments. The tuition reserve is available only for districts that have a sending/receiving relationship. Full appropriation shall be made in the third year and any remaining balance shall be reserved and designated in the subsequent year's budget. (*N.J.A.C.* 6A:23-3.1(f)(8)).

As of June 30, 2017, the district has reserved the following amounts in the tuition reserve accounts:

2017-2018	\$ 185,000.
2018-2019	180,000.
TOTAL	\$ 365,000.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 7 - FIXED ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets that are not Being Depreciated:					
Land	\$ 25,071.	\$ 0.	\$ 0.	\$ 0.	\$ 25,071.
Total Capital Assets not being Depreciated	25,071.	0.	0.	0.	25,071.
Bldg. & Bldg. Improvements	10,538,341.	0.	0.	0.	10,538,341.
Site Improvements	148,357.	0.	0.	0.	148,357.
Machinery & Equipment	527,901.	16,267.	0.	0.	544,168.
Totals at Historical Cost	11,214,599.	16,267.	0.	0.	11,230,866.
Less: Accum. Deprec. for:					
Bldg. & Bldg. Improvements	(2,871,735.)	(265,219.)	0.	0.	(3,136,954.)
Site Improvements	(121,301.)	(3,442.)	0.	0.	(124,743.)
Machinery & Equipment	(433,610.)	(25,286.)	0.	0.	(458,896.)
Total Accum. Depreciation	(3,426,646.)	(293,947.)	0.	0.	(3,720,593.)
Total Capital Assets being depreciated net of Accum. Depreciation	7,787,953.	(277,680.)	0.	0.	7,510,273.
Government Activities Capital Assets, net	\$ 7,813,024.	\$ (277,680.)	\$ 0.	\$ 0.	\$ 7,535,344.
Business-type Activities:					
Equipment – Enterprise Fund	\$ 127,109.	\$ 0.	\$ 0.	\$ 0.	\$ 127,109.
Equipment – Internal Service Fund	10,117.	0.	0.	0.	10,117.
Less Accum. Dep for:					
Equipment – Enterprise Fund	(96,912.)	(3,468.)	0.	0.	(100,380.)
Equipment – Internal Service Fund	(4,942.)	(1,150.)	0.	0.	(6,092.)
Business-type Activities Capital Assets, net	\$ 35,372.	\$ (4,618.)	\$ 0.	\$ 0.	\$ 30,754.

***Depreciation Expense was Charged to Governmental Functions as Follows:**

Instruction:	
Regular	\$(161,671.)
Special Education	(29,395.)
Support Services:	
School Administration	(38,213.)
General and Business Administrative Services	(38,213.)
Plant Operations and Maintenance	(26,455.)
Total Depreciation Expense	<u>\$(293,947.)</u>

NOTE 8 - OPERATING LEASES

The District has a commitment for copiers under an operating lease. The lease is for a term of 60 months. Total operating lease payments made during the year ended June 30, 2017 were \$26,964. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2018	26,964.
June 30, 2019	23,148.
June 30, 2020	16,464.
June 30, 2021	8,232.
TOTAL	<u>\$ 74,808.</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 9 - GENERAL LONG-TERM DEBT

Type of Debt	Balance at 6/30/16	Issued	Retired	Balance at 6/30/17	Amounts Due Within 1 Year
Compensated absences payable	\$ 171,761.	\$ 0.	\$ (26,594.)	\$ 145,167.	\$ 0.
Bonds payable	2,586,000.	0.	(310,000.)	2,276,000.	315,000.
Accrued interest on bonds	31,339.	0.	(3,530.)	27,809.	27,809.
Total	<u>\$ 2,789,100.</u>	<u>\$ 0.</u>	<u>\$ (340,124.)</u>	<u>\$ 2,448,976.</u>	<u>\$ 342,809.</u>

A. Bonds Payable:

Bonds are authorized in accordance with State laws 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 general obligation bonds.

On December 27, 2007, the District issued School Refunding Bonds in the amount of \$2,345,000 in order to refund all or a portion of the outstanding callable school bonds of the Board of Education originally issued in the principal amount of \$3,137,000 and dated March 1, 1998. The 1998 bonds are redeemable at the option of the Board of Education in whole or in part with a 30 day notice of redemption at a price of 100% of the principal amount thereof.

The \$2,345,000 Refunding Bonds, included issuance costs of \$29,454. \$2,296,225 was used to retire bonds from the 1998 issue and \$19,321 was returned to the District. The gross debt service savings to the District is \$95,645 and the economic benefit to the District is estimated to be \$77,042.

On January 7, 2010, the District issued School Bonds in the amount of \$2,216,000 in order to partially finance the construction of an addition as well as undertake various improvements and renovations to the Myron L. Powell Elementary School. The total cost of the project is \$6,549,146. The project is being permanently funded through the aforementioned Bonds in the amount of \$2,216,000., a grant from the State of New Jersey in the amount of \$4,032,260, the transfer of \$300,000 from the Capital Reserve Account and \$786 of other available Board funds.

The following is a schedule of the future bond principal and interest payments due as of June 30, 2017.

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 315,000.	\$ 81,294.	\$ 396,294.
2019	320,000.	70,363.	390,363.
2020	325,000.	58,778.	383,778.
2021	335,000.	46,531.	381,531.
2022	335,000.	33,719.	368,719.
2023-2025	646,000.	36,070.	682,070.
TOTAL	<u>\$ 2,276,000.</u>	<u>\$ 326,755.</u>	<u>\$ 2,602,755.</u>

A. Bond Authorized But Not Issued:

As of June 30, 2017, the Board had no authorized but not issued bonds.

B. Capital Leases Payable:

The district has no capital leases.

NOTE 10 – PENSION PLANS

A. Public Employees’ Retirement System (PERS)

Plan Description – The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division’s Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

The vesting and benefits provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of \$2,549,535 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was .0086083104%, which was an increase of .0005457961% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$286,920 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 47,414.	\$ 0.
Changes of assumptions	528,127.	0.
Net difference between projected and actual earnings on pension plan investments	97,216.	0.
Changes in proportion and difference between School District contributions and proportionate share of contributions	209,404.	4,059.
School District contributions subsequent to the measurement date	152,962.	0.
 Total	 \$ 1,035,123.	 \$ 4,059.

\$152,962 was reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 197,696.
2019	197,696.
2020	229,035.
2021	192,427.
2022	61,248.
Total	\$ 878,102.

Actuarial Assumptions

The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation rate	3.08 %
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District’s proportionate share of the net pension liability as of June 30, 2016, calculated using the discount rate of 3.98% as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS – (Continued)

A. Public Employees’ Retirement System (PERS) – (Continued)

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District’s proportionate share of the net pension liability	\$ 3,124,156.	\$ 2,549,535.	\$ 2,075,133.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>
June 30, 2017	\$ 76,475.	100%
June 30, 2016	69,316.	100%
June 30, 2015	58,534.	100%

B. Teacher’s Pension and Annuity (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS – (Continued)

B. Teacher’s Pension and Annuity (TPAF) – (Continued)

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State’s proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$23,378,600. The School District’s proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State’s proportionate share of the net pension liability associated with the District was based on projection of the State’s long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of the TPAF net pension liability attributable to the School District was .0297186722%, which an increase of .000802206% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$1,756,575 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varied based on experience
Thereafter	Varied based on experience
Investment rate of return	7.90%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2016 are summarized in the following table:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS – (Continued)

B. Teacher’s Pension and Annuity (TPAF) – (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1,41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds – Multi-Strategy	5.00%	3.70%
Hedge Funds – Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District’s annual required contribution. The following represents the State’s proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 3.22% as well as what the State’s proportionate share of the net pension liability, attributable to the School District’s would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<u>At 1% Decrease (2.22%)</u>	<u>At current discount rate (3.22%)</u>	<u>At 1% Increase (4.22%)</u>
State of New Jersey’s Proportionate Share of Net Pension Liability associated with School District	<u>\$ 27,919,272.</u>	<u>\$ 23,378,600.</u>	<u>\$ 19,670,554.</u>

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 10 – PENSION PLANS – (Continued)

B. Teacher’s Pension and Annuity (TPAF) – (Continued)

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

Year <u>Funding</u>	Pension <u>Contribution</u>	Post-Retirement Medical (PRM) <u>Contribution</u>	Long-Term Disability <u>Insurance</u>	Total <u>Contribution</u>
June 30, 2017	\$ 337,141.	\$ 280,915.	\$ 1,056.	\$ 619,112.
June 30, 2016	237,939.	283,320.	0.	521,529.
June 30, 2015	156,333.	248,179.	0.	404,512.

During the fiscal years ended June 30, 2017, 2016 and 2015, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$239,716; 224,025; and \$230,561; during the same fiscal years for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees’ Retirement System (PERS) or Teachers’ Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

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

For the year ended June 30, 2017, employee contributions totaled \$2,242, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$1,123.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 11 - 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

GASB statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the State of New Jersey and as such, no district OPEB liability exists.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

NOTE 12 - COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

NOTE 13 - 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:

Lincoln Investments
Metropolitan

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 14 - RISK MANAGEMENT

The District is exposed to various types 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 to 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 and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 30,000.	\$ 7,317.	\$ 173.	\$ 7,170.	\$ 122,965.
2015-2016	50,000.	6,445.	120.	22,549.	92,645.
2014-2015	39,276.	6,512.	139.	31,847.	58,629.

NOTE 15 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2017.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 61,469.	\$ 78,742.
Special Revenue Fund	0.	49,642.
Debt Service Fund	0.	11,826.
Enterprise Fund	46,588.	1,200.
Agency Fund	33,353.	0.
	<u>\$ 141,410.</u>	<u>\$ 141,410.</u>

The amounts due from the Debt Service Fund to the General Fund represents the cash deficit in the Debt Service Fund due to delays in receiving tax levy.

The remaining balances resulted from the time lag between the dates that:

1. The interfund transactions occur;
2. Transactions are recorded in the accounting system; and
3. Payments between funds are made.

	<u>Transfer To</u>	<u>Transfer From</u>
Capital Projects Fund	\$ 0.	\$ 145,000.
Debt Service Fund	145,000.	0.
Total	<u>\$ 145,000.</u>	<u>\$ 145,000.</u>

The transfer of \$145,000 for the Capital Projects Fund to the Debt Service Fund is the budgeted transfer of unused bond proceeds to be used for debt service payments.

NOTE 16 - CONTINGENT LIABILITIES

GRANT PROGRAM

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 16 - CONTINGENT LIABILITIES – (Continued)
LITIGATION

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

NOTE 17 - TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

NOTE 18 - CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$494,093.

NOTE 19 - DEFICIT FUND BALANCES

The District has a deficit fund balances of \$0 in the General Fund and \$(24,198) in the Special Revenue Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(24,198) is equal to (or) is less than the last state aid payments.

NOTE 20 - FUND BALANCE
NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2017.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 20 - FUND BALANCE – (Continued)

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$494,093; \$275,202 has been restricted and designated for utilization in the 2017-2018 budget.

Capital Reserve Account: As of June 30, 2016, the balance in the capital reserve account is \$683,574. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2017, the balance in the maintenance reserve account is \$338,000. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Emergency Reserve Account: As of June 30, 2017, the balance in the emergency reserve was \$250,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

Tuition Reserve Account – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the District has a restricted fund balance in the amount of \$365,000 in a legal reserve for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective year. \$185,000 of the balance has been appropriated in the June 30, 2018 budget.

COMMITTED

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Other Purposes: As of June 30, 2017, the School District had \$1,014 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

For Subsequent Year's Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2018, \$19,182 of general fund balance, \$0 of capital project fund balance, and \$0 of the debt service fund balance at June 30, 2017.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 20 - FUND BALANCE – (Continued)

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund:

As of June 30, 2017, the unassigned fund balance of the general fund was \$(303,398).

Capital Project Fund:

Of the \$102,684 Capital Project Fund balance as of June 30, 2017; \$102,684 has been appropriated as a transfer to the Debt Service Fund and included as anticipated revenue in the Debt Service Fund for the year ending June 30, 2017.

Debt Service Fund:

The Debt Service Fund balance as of June 30, 2017 was \$0.

NOTE 21 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2017 through November 22, 2017, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION—PART II

BUDGETARY COMPARISON SCHEDULES

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,204,384.	\$ 0.	\$ 2,204,384.	\$ 2,204,384.	\$ 0.
Interest Earned	28.	0.	28.	6,384.	6,356.
Miscellaneous	25,000.	0.	25,000.	12,910.	(12,090.)
Total Local Sources	2,229,412.	0.	2,229,412.	2,223,678.	(5,734.)
State Sources:					
Equalization Aid	5,091,223.	0.	5,091,223.	5,091,223.	0.
School Choice Aid	428,960.	0.	428,960.	428,960.	0.
Categorical Transportation Aid	64,740.	0.	64,740.	64,740.	0.
Special Education Aid	335,985.	0.	335,985.	335,985.	0.
Security Aid	160,344.	0.	160,344.	160,344.	0.
Under Adequacy Aid	3,746.	0.	3,746.	3,746.	0.
PARCC Readiness Aid	5,780.	0.	5,780.	5,780.	0.
Per Pupil Growth Aid	5,780.	0.	5,780.	5,780.	0.
Professional Learning Community Aid	6,010.	0.	6,010.	6,010.	0.
Host District Support Aid	2,394.	0.	2,394.	2,394.	0.
On-Behalf TPAF Pension Contribution (Non-Budgeted)	0.	0.	0.	619,112.	619,112.
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	239,716.	239,716.
Extraordinary Aid	0.	0.	0.	16,417.	16,417.
Additional Non-Public Transportation Aid	0.	0.	0.	2,262.	2,262.
Total State Sources	6,104,962.	0.	6,104,962.	6,982,469.	877,507.
Total Revenues	8,334,374.	0.	8,334,374.	9,206,147.	871,773.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditure:					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Kindergarten - Salaries of Teachers	264,025.	(60,200.)	203,825.	202,805.	1,020.
Grades 1 - 5 - Salaries of Teachers	1,108,008.	111,700.	1,219,708.	1,214,754.	4,954.
Grades 6 - 8 - Salaries of Teachers	736,359.	18,000.	754,359.	737,088.	17,271.
Home Instruction:					
Salaries of Teachers	2,500.	0.	2,500.	1,914.	586.
Purchased Professional/Educational Services	10,000.	(6,065.)	3,935.	1,893.	2,042.
Regular programs - Undistributed Instruction:					
Other Salaries for Instruction	125,499.	(97,427.)	28,072.	28,072.	0.
Purchased Professional/Educational Services	1,000.	1,305.	2,305.	2,242.	63.
Other Purchased Services	53,950.	2,385.	56,335.	56,293.	42.
General Supplies	56,147.	31,953.	88,100.	82,417.	5,683.
Textbooks	5,000.	(5,000.)	0.	0.	0.
Other Objects	1,000.	1,245.	2,245.	2,163.	82.
Total Regular Programs - Instruction	2,363,488.	(2,104.)	2,361,384.	2,329,641.	31,743.
Resource Room/Resource Center:					
Salaries of Teachers	233,279.	(18,500.)	214,779.	165,793.	48,986.
Total Resource Room/Resource Center	233,279.	(18,500.)	214,779.	165,793.	48,986.
Total Special Education - Instruction	233,279.	(18,500.)	214,779.	165,793.	48,986.
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	47,255.	(14,300.)	32,955.	27,293.	5,662.
Total Basic Skills/Remedial - Instruction	47,255.	(14,300.)	32,955.	27,293.	5,662.
Bilingual Education - Instruction:					
Salaries of Teachers	45,652.	(26,000.)	19,652.	19,145.	507.
Total Bilingual Education - Instruction	45,652.	(26,000.)	19,652.	19,145.	507.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	\$ 18,000.	0.	\$ 18,000.	\$ 14,324.	\$ 3,676.
Purchased Services	2,500.	0.	2,500.	0.	2,500.
Supplies and Materials	1,500.	(50.)	1,450.	990.	460.
Total School Sponsored Co-Curricular Activities - Instruction	22,000.	(50.)	21,950.	15,314.	6,636.
School Sponsored Athletics - Instruction:					
Salaries	22,600.	0.	22,600.	18,417.	4,183.
Purchased Services	2,500.	(295.)	2,205.	1,425.	780.
Supplies and Materials	1,700.	345.	2,045.	2,044.	1.
Total School Sponsored Athletics - Instruction	26,800.	50.	26,850.	21,886.	4,964.
Total Instruction	2,738,474.	(60,904.)	2,677,570.	2,579,072.	98,498.
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEA's Within the State - Regular	1,591,290.	25,288.	1,616,578.	1,616,577.	1.
Tuition - Other LEA's Within the State - Special	222,791.	(3.)	222,788.	212,720.	10,068.
Tuition - County Voc. School Districts - Regular	74,887.	(12,000.)	62,887.	60,887.	2,000.
Tuition - County Voc. School Districts - Special	6,625.	0.	6,625.	0.	6,625.
Tuition - Co. Spec. Services and Regional Day Schls	215,238.	(12,320.)	202,918.	160,093.	42,825.
Tuition - Private Schls/Handicapped within State	153,401.	66,542.	219,943.	148,121.	71,822.
Tuition - Private Schls/Hand. Other LEA's Out-State	66,543.	(59,584.)	6,959.	6,959.	0.
Total Instruction	2,330,775.	7,923.	2,338,698.	2,205,357.	133,341.
Attendance and Social Work Services:					
Salaries	43,272.	1,035.	44,307.	44,306.	1.
Total Attendance and Social Work Services	43,272.	1,035.	44,307.	44,306.	1.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Health Services:					
Salaries	\$ 59,314.	\$ 0.	\$ 59,314.	\$ 59,314.	\$ 0.
Purchased Professional and Technical Services	3,700.	0.	3,700.	3,481.	219.
Other Purchased Services	0.	150.	150.	150.	0.
Supplies and Materials	2,500.	(510.)	1,990.	1,416.	574.
Total Health Services	65,514.	(360.)	65,154.	64,361.	793.
Speech, OT, PT and Related Services:					
Salaries	61,224	0.	61,224	61,224	0.
Purchased Professional - Educational Services	33,400.	2,155.	35,555.	34,517.	1,038.
Supplies and Materials	250.	3,075.	3,325.	3,323.	2.
Total Speech, OT, PT and Related Services	94,874.	5,230.	100,104.	99,064.	1,040.
Special Education - Extraordinary Services:					
Salaries	78,785.	97,427.	176,212.	168,908.	7,304.
Purchased Professional - Educational Services	40,688.	0.	40,688.	38,437.	2,251.
Total Special Education - Extraordinary Services	119,473.	97,427.	216,900.	207,345.	9,555.
Guidance:					
Salaries of Other Professional Staff	61,714.	(2,020.)	59,694.	50,605.	9,089.
Total Guidance	61,714.	(2,020.)	59,694.	50,605.	9,089.
Child Study Teams:					
Salaries of Other Professional Staff	126,824	1,020.	127,844	127,844	0.
Salaries of Secretarial & Clerical Assistants	18,034	0.	18,034	18,034	0.
Purchased Professional Educational Services	0.	13,350.	13,350.	12,860.	490.
Other Purchased Professional and Technical Service	1,500.	510.	2,010.	1,964.	46.
Miscellaneous Purchased Services	9,000.	(1,580.)	7,420.	7,409.	11.
Supplies and Materials	1,500.	4,815.	6,315.	6,312.	3.
Total Child Study Teams	156,858.	18,115.	174,973.	174,423.	550.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Improve of Instruct Serv/Other Support Serv - Instruct Staff:					
Salaries of Other Professional Staff	\$ 8,859.	\$ (6,000.)	\$ 2,859.	\$ 90.	\$ 2,769.
Other Salaries	0.	0.	0.	0.	0.
Total Improvement of Instructional Services	8,859.	(6,000.)	2,859.	90.	2,769.
Educational Media Services - School Library:					
Salaries	2,176.	0.	2,176.	2,161.	15.
Total Educational Media Services - School Library	2,176.	0.	2,176.	2,161.	15.
Instructional Staff Training Services:					
Salaries of Other Professional Staff	20,430.	(820.)	19,610.	16,430.	3,180.
Other Salaries	24,646.	820.	25,466.	25,376.	90.
Purchased Professional Educational Services	2,000.	0.	2,000.	228.	1,772.
Other Purchased Services	4,000.	(61.)	3,939.	1,727.	2,212.
Other Objects	1,800.	61.	1,861.	1,861.	0.
Total Instructional Staff Training Services	52,876.	0.	52,876.	45,622.	7,254.
Support Services - General Administration:					
Salaries	73,182.	(1,275.)	71,907.	71,829.	78.
Legal Services	5,000.	19,390.	24,390.	24,385.	5.
Audit Fees	20,000.	1,200.	21,200.	21,200.	0.
Other Purchased Professional Services	3,500.	(1,098.)	2,402.	2,275.	127.
Purchased Technical Service	2,000.	(194.)	1,806.	1,806.	0.
Communications/Telephone	23,000.	(3,590.)	19,410.	19,408.	2.
Other Purchased Services	12,997.	1,252.	14,249.	14,249.	0.
General Supplies	2,000.	(270.)	1,730.	1,644.	86.
Miscellaneous Expenditures	2,000.	(290.)	1,710.	1,709.	1.
BOE Membership Dues and Fees	4,500.	(340.)	4,160.	4,159.	1.
Total Support Services - General Administration	148,179.	14,785.	162,964.	162,664.	300.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 89,461.	\$ 0.	\$ 89,461.	\$ 89,461.	\$ 0.
Salaries of Other Professionals Staff	17,000.	(200.)	16,800.	16,800.	0.
Salaries of Secretarial & Clerical Assistants	23,063.	345.	23,408.	23,407.	1.
Other Salaries	5,809.	15,956.	21,765.	13,588.	8,177.
Purchased Professional and Technical Services	9,000.	1,200.	10,200.	10,177.	23.
Other Purchased Services	8,500.	1,200.	9,700.	9,662.	38.
Supplies and Materials	10,000.	(751.)	9,249.	9,248.	1.
Other Objects	4,000.	(1,150.)	2,850.	2,594.	256.
Total Support Services - School Administration	166,833.	16,600.	183,433.	174,937.	8,496.
Central Services:					
Salaries	153,589.	12,000.	165,589.	153,588.	12,001.
Purchased Professional Services	500.	0.	500.	247.	253.
Purchased Technical Services	10,000.	0.	10,000.	9,400.	600.
Miscellaneous Purchased Services	3,700.	7,345.	11,045.	5,317.	5,728.
Supplies and Materials	1,500.	(63.)	1,437.	1,235.	202.
Miscellaneous Expenditures	1,200.	18.	1,218.	1,167.	51.
Total Central Services	170,489.	19,300.	189,789.	170,954.	18,835.
Admin. Info. Technology:					
Purchased Technical Services	30,000.	0.	30,000.	25,714.	4,286.
Total Admin. Info. Technology	30,000.	0.	30,000.	25,714.	4,286.
Allowable Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	92,800.	(19,467.)	73,333.	72,014.	1,319.
General Supplies	2,500.	750.	3,250.	3,210.	40.
Total Allowable Maintenance for School Facilities	95,300.	(18,717.)	76,583.	75,224.	1,359.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Other Operation and Maintenance of Plant Services:					
Salaries	\$ 159,096.	\$ 0.	\$ 159,096.	\$ 154,238.	\$ 4,858.
Purchased Professional and Technical Services	30,000.	1,300.	31,300.	23,527.	7,773.
Cleaning, Repair and Maintenance Services	25,450.	4,450.	29,900.	23,389.	6,511.
Insurance	38,878.	(250.)	38,628.	35,160.	3,468.
Miscellaneous Purchased Services	2,000.	690.	2,690.	2,438.	252.
General Supplies	30,000.	(3,106.)	26,894.	20,879.	6,015.
Energy (Natural Gas)	34,800.	(6,740.)	28,060.	17,418.	10,642.
Energy (Electricity)	120,000.	(6,700.)	113,300.	112,960.	340.
Other Objects	585.	0.	585.	556.	29.
Total Other Operation and Maintenance of Plant Services	440,809.	(10,356.)	430,453.	390,565.	39,888.
Total Operation and Maintenance of Plant Services	536,109.	(29,073.)	507,036.	465,789.	41,247.
Students Transportation Services:					
Salaries - Between Home & School	10,880.	330.	11,210.	11,208.	2.
Management Fee-ESC Transportation Programs	10,000.	0.	10,000.	389.	9,611.
Other Purchased Professional and Technical Service	3,200.	0.	3,200.	3,090.	110.
Contracted Serv - Aid in Lieu of Payments - Nonpublic	13,260.	(1,094.)	12,166.	11,492.	674.
Contracted Serv - Aid in Lieu of Payments - Charter	1,768.	1,184.	2,952.	2,912.	40.
Contracted Serv - Aid in Lieu of Payments - Choice	6,188.	(300.)	5,888.	5,698.	190.
Contracted Services (Home/School) - Vendors	464,611.	(41,430.)	423,181.	405,315.	17,866.
Contracted Services (Not Home/School) - Vendors	19,580.	17,810.	37,390.	37,299.	91.
Contracted Services (Special Ed) - ESCs	250,000.	0.	250,000.	169,445.	80,555.
Total Student Transportation Services	779,487.	(23,500.)	755,987.	646,848.	109,139.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Unallocated Benefits:					
Social Security Contributions	\$ 73,000.	0.	\$ 73,000.	\$ 72,018.	\$ 982.
Other Retirement Contributions - Regular	69,258.	7,819.	77,077.	77,077.	0.
Unemployment Compensation	30,000.	0.	30,000.	30,000.	0.
Workmen's Compensation	54,205.	0.	54,205.	39,683.	14,522.
Health Benefits	889,986.	(13,669.)	876,317.	757,418.	118,899.
Tuition Reimbursement	10,000.	0.	10,000.	2,462.	7,538.
Other Employee Benefits	33,100.	5,850.	38,950.	19,020.	19,930.
Total Unallocated Benefits	1,159,549.	0.	1,159,549.	997,678.	161,871.
On Behalf TPAF Pension Contribution (Non-Budgeted)	0.	0.	0.	619,112.	(619,112.)
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	239,716.	(239,716.)
Total Undistributed Expenditures	5,927,037.	119,462.	6,046,499.	6,396,746.	(350,247.)
Total Current Expenditures	8,665,511.	58,558.	8,724,069.	8,975,818.	(251,749.)
CAPITAL OUTLAY:					
Instruction:					
Equipment	0.	16,267.	16,267.	16,267.	0.
Total Instruction	0.	16,267.	16,267.	16,267.	0.
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	40,020.	0.	40,020.	40,020.	0.
Total Facilities Acquisition and Construction Services	40,020.	0.	40,020.	40,020.	0.
Total Capital Outlay Expenditures	40,020.	16,267.	56,287.	56,287.	0.
Transfer to Charter School	25,285.	(25,285.)	0.	0.	0.
Total General Fund	8,730,816.	49,540.	8,780,356.	9,032,105.	(251,749.)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(396,442.)	(49,540.)	(445,982.)	174,042.	620,024.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Fund Balance, July 1	\$ 2,246,003.	\$ 0.	\$ 2,246,003.	\$ 2,246,003.	\$ 0.
Fund Balance, June 30	\$ 1,849,561.	\$ (49,540.)	\$ 1,800,021.	\$ 2,420,045.	\$ 620,024.

Recapitulation:

Restricted Fund Balance:	\$
Capital Reserve	683,574.
Maintenance Reserve	338,000.
Emergency Reserve	250,000.
Tuition Reserve	365,000.
Excess Surplus Designated for Subsequent Year's Expenditures	275,202.
Excess Surplus - Current Year	218,891.
Assigned Fund Balance:	1,014.
Year-End Encumbrances	19,182.
Designated for Subsequent Year's Expenditures	269,182.
Unassigned Fund Balance	2,420,045.
Total	2,420,045.

Reconciliation to Governmental Funds Statements (GAAP):

Less: State Aid Payments Not Recognized on GAAP Basis	(572,580.)
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 1,847,465.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 2,321.	\$ 0.	\$ 2,321.	\$ 2,321.	\$ 0.
State Sources	293,321.	0.	293,321.	287,946.	(5,375.)
Federal Sources	466,178.	0.	466,178.	459,724.	(6,454.)
Total Revenues	761,820.	0.	761,820.	749,991.	(11,829.)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	322,693.	0.	322,693.	322,693.	0.
Other Salaries for Instruction	62,749.	5,294.	68,043.	68,043.	0.
Other Purchased Services	160,675.	580.	161,255.	161,255.	0.
General Supplies	66,715.	0.	66,715.	59,596.	7,119.
Total Instruction	612,832.	5,874.	618,706.	611,587.	7,119.
46 Support Services:					
Salaries of Other Professional Staff	24,890.	0.	24,890.	24,890.	0.
Personal Services - Employee Benefits	111,094.	(5,874.)	105,220.	105,220.	0.
Purchased Professional - Educational Services	4,423.	0.	4,423.	4,423.	0.
Purchased Technical Services	2,000.	0.	2,000.	1,440.	560.
Travel	2,000.	0.	2,000.	0.	2,000.
Supplies & Materials	4,581.	0.	4,581.	2,431.	2,150.
Total Support Services	148,988.	(5,874.)	143,114.	138,404.	4,710.
Total Expenditures	761,820.	0.	761,820.	749,991.	11,829.
Total Outflows	761,820.	0.	761,820.	749,991.	11,829.
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part II**

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>
Sources/inflows of resources:			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 9,206,147.	\$ 749,991.	\$ 0.
Differences - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year Encumbrance Paid	0.	0.	0.
Current Year Encumbrance	0.	(4,824.)	0.
State aid payment recognized for GAAP statement in the current year, previously recognized for budgetary purposes.	587,911.	32,909.	0.
State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(572,580.)	(24,198.)	0.
Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 9,221,478.</u>	<u>\$ 753,878.</u>	<u>\$ 0.</u>
Uses/Outflow of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 8,780,356.	\$ 749,991.	\$ 0.
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.			
Prior Year Encumbrance Paid	0.	0.	0.
Current Year Encumbrance	0.	(4,824.)	0.
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 8,780,356.</u>	<u>\$ 745,167.</u>	<u>\$ 0.</u>

**REQUIRED SUPPLEMENTARY
INFORMATION—PART III**

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERS

Last Four Fiscal Years

	Measurement Date Ending June 30,		
	2016	2015	2014
	2013		
District's proportion of the net pension liability (asset)	0.00860831%	0.00806251%	0.00710032%
	0.00714000%		
District's proportionate share of the net pension liability (asset)	\$ 2,549,535.	\$ 1,809,873.	\$ 1,329,374.
	\$ 1,364,610.		
District's covered-employee payroll	\$ 649,003.	\$ 535,649.	\$ 565,567.
	N/A		
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	392.84%	337.88%	235.05%
	N/A		
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%
	48.72%		

SOURCE: GASB 68 report on Public Employee's Retirement System; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period. Additional years will be presented as they become available.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
Last Four Fiscal Years

	<u>PERS</u>			
	Fiscal Year Ending June 30,			
	2017	2016	2015	2014
Contractually required contribution	\$ 76,475.	\$ 69,316.	\$ 58,534.	\$ 53,799.
Contributions in relation to the contractually required contribution	(76,475.)	(69,316.)	(58,534.)	(53,799.)
Contribution deficiency (excess)	0.	0.	0.	0.
District's covered-employee payroll	\$ 649,003.	\$ 535,649.	\$ 565,567.	N/A
Contributions as a percentage of covered-employee payroll	11.78%	12.94%	10.35%	N/A

	<u>TPAF</u>			
	Fiscal Year Ending June 30,			
	2017	2016	2015	2014
Contractually required contribution	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 3,197,992.	\$ 2,997,423.	\$ 3,065,268.	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A

SOURCE: GASB 68 report on Public Employee's Retirement System/Teachers' Pension and Annuity Fund;
District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period.
Additional years will be presented as they become available.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TPAF

Last Four Fiscal Years

	Measurement Date Ending June 30,		
	2016	2015	2014
	2016	2015	2014
	2013		
District's proportion of the net pension liability (asset)	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 23,378,600.	\$ 18,276,441.	\$ 16,771,755.
Total	\$ 23,378,600.	\$ 18,276,441.	\$ 16,771,755.
District's covered-employee payroll	\$ 3,197,992.	\$ 2,997,423.	\$ 3,065,268.
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	28.71%	28.71%	33.64%
			33.76%

SOURCE: GASB 68 report on Teachers' Pension and Annuity Fund; District Records

NOTE: This schedule is required by GASB 68 to be show information for a 10 year period. Additional years will be presented as they become available.

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part III**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PENSION SCHEDULES
JUNE 30, 2017**

Note 1. Teachers' Pension and Annuity Fund (TPAF)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active member are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvement 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.

Note 2. Public Employees' Retirement System (PERS)

Changes of benefits terms. The vesting and benefits provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. 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.

Note 3. Schedule of School District's Proportionate Share of the Net Pension Liability – PERS/TPAF and Schedule of Employer's Contribution for PERS/TPAF

The information presented in these required supplementary schedules was determined as part of the audit of the State of New Jersey Division of Pension and Benefits. Additional information for the pension schedules can be found in the notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

N/A

SPECIAL REVENUE FUND

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Title I, Part A	Title II, Part A	I.D.E.A. Part B Basic	I.D.E.A. Part B Pre-School	REAP Grant	Private Foundation Grants	Pre-School Education Aid	Totals 2017
Revenues:								
Local Sources	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 2,321.	\$ 0.	2,321.
State Sources	0.	0.	0.	0.	0.	0.	287,946.	287,946.
Federal Sources	241,693.	17,453.	161,255.	4,423.	34,900.	0.	0.	459,724.
Total Revenues	\$ 241,693.	\$ 17,453.	\$ 161,255.	\$ 4,423.	\$ 34,900.	\$ 2,321.	\$ 287,946.	\$ 749,991.
Expenditures:								
Instruction:								
Salaries of Teachers	\$ 176,472.	\$ 13,500.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 132,721.	\$ 322,693.
Other Salaries for Instruction	0.	0.	0.	0.	0.	0.	68,043.	68,043.
Other Purchased Services	0.	0.	161,255.	0.	0.	0.	0.	161,255.
General Supplies	19,338.	443.	0.	0.	34,900.	0.	4,915.	59,596.
Total Instruction	195,810.	13,943.	161,255.	0.	34,900.	0.	205,679.	611,587.
Support Services:								
Salaries of Other Professional Staff	0.	0.	0.	0.	0.	0.	24,890.	24,890.
Personal Services - Employee Benefits	45,883.	3,510.	0.	0.	0.	0.	55,827.	105,220.
Purchased Professional - Educational Services	0.	0.	0.	4,423.	0.	0.	0.	4,423.
Purchased Technical Services	0.	0.	0.	0.	0.	0.	1,440.	1,440.
Supplies & Materials	0.	0.	0.	0.	2,321.	0.	110.	2,431.
Total Support Services	45,883.	3,510.	0.	4,423.	2,321.	0.	82,267.	138,404.
Total Expenditures	\$ 241,693.	\$ 17,453.	\$ 161,255.	\$ 4,423.	\$ 34,900.	\$ 2,321.	\$ 287,946.	\$ 749,991.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRE-SCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Total		
	Budgeted	Actual	Variance
Expenditures:			
Instruction:			
Salaries - Teachers	\$ 132,721.	\$ 132,721.	\$ 0.
Other Salaries for Instruction	68,043.	68,043.	0.
Supplies	5,580.	4,915.	665.
Total Instruction	<u>206,344.</u>	<u>205,679.</u>	<u>665.</u>
Support Services:			
Salaries - Other Professional	4,352.	4,352.	0.
Salaries - Fam/Par Liaison	20,538.	20,538.	0.
Personal Services - Employee Benefits	55,827.	55,827.	0.
Contracted Services	2,000.	1,440.	560.
Travel	2,000.	0.	2,000.
Supplies	2,260.	110.	2,150.
Total Support Services	<u>86,977.</u>	<u>82,267.</u>	<u>4,710.</u>
Total Expenditures	<u>\$ 293,321.</u>	<u>\$ 287,946.</u>	<u>\$ 5,375.</u>

Calculation of Budget and Carryover

Total Revised 2016-2017 Pre-School Education Aid Allocation	\$ 241,975.
Add: Actual Pre-School Education Aid Carryover (June 30, 2016)	<u>147,164.</u>
Total Pre-School Education Aid Funds Available for 2016-2017 Budget	389,139.
Less: 2016-2017 Budgeted Pre-School Education Aid Including Prior Year Budget C/O	<u>293,321.</u>
Available and Unbudgeted Pre-School Education Aid Funds as of June 30, 2017	<u>95,818.</u>
Add: June 30, 2017 Unexpended/(Over-Expended) Pre-School Education Aid	<u>5,375.</u>
2016-2017 Carryover - Pre-School Education Aid/Pre-School	<u>\$ 101,193.</u>
2016-2017 Pre-School Education Aid Carryover Budgeted for Pre-School Programs 2017-2018	<u>\$ 95,818.</u>

CAPITAL PROJECTS FUND

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017

Project Description	Total Authorized Cost	Prior Year's Expenditures and Transfers	Current Year Expenditures	Transfer to Debt Service Fund	Adjustment	Unexpended Balance
Myron L. Powell Elementary: School Improvements 2010	\$ 6,549,146.	\$ 6,301,462.	\$ 0.	\$ 145,000.	\$ 0.	\$ 102,684.
Total	\$ 6,549,146.	\$ 6,301,462.	\$ 0.	\$ 145,000.	\$ 0.	\$ 102,684.

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

Revenues and Other Financing Sources:	
State sources - SDA Grant	\$ 0.
	<u>0.</u>
Total revenues and other financing sources	<u>0.</u>
Expenditures and Other Financing Uses:	
Purchased professional and technical services	<u>0.</u>
Total expenditures and other financing uses	<u>0.</u>
Excess (deficiency) of revenues over (under) expenditures	(0.)
Other Financing Sources (Uses):	
Transfer to Debt Service Fund	<u>(145,000.)</u>
Net change in fund balance	(145,000.)
Fund balance - beginning	<u>247,684.</u>
Fund balance - ending	<u><u>\$ 102,684.</u></u>

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SDA Grant	\$ 3,815,222.	\$ 0.	\$ 3,815,222.	\$ 3,815,222.
Bond proceeds	2,216,000.	0.	2,216,000.	2,216,000.
Bond premium	886.	0.	886.	0.
Interest income	32,000.	0.	32,000.	0.
Transfer from capital reserve	300,000.	0.	300,000.	300,000.
Transfer from general fund	786.	0.	786.	786.
Total revenues and other financing sources	6,364,894.	0.	6,364,894.	6,332,008.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	611,400.	0.	611,400.	611,400.
Construction services	5,137,233.	0.	5,137,233.	5,659,917.
Transfer to debt service	307,886.	145,000.	452,886.	0.
Other objects	60,691.	0.	60,691.	60,691.
Total expenditures and other financing uses	6,117,210.	145,000.	6,262,210.	6,332,008.
Excess (deficiency) or revenues over (under) expenditures	\$ 247,684.	\$ (145,000.)	\$ 102,684.	\$ 0.
Additional project information:				
DOE Project Number	2570-030-09-1001			
SDA Project Number	2570-030-09-00BT			
Grant Number	G5-4048			
Grant Date	1/7/2010			
Bond Authorization Date	12/10/2009			
Bonds Authorized	\$ 2,216,000.			
Bonds Issued	\$ 2,216,000.			
Original Authorized Cost	\$ 6,549,146.			
Additional Authorized Cost	\$ (749,822.)			
Revised Authorized Cost	\$ 5,799,324.			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100.00%			
Original Target Completion Date	August, 2011			
Revised Target Completion Date	August, 2012			

PROPRIETARY FUNDS

ENTERPRISE FUND

LAWRENCE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

	Food Service	Latchkey	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 118,535.	\$ 32,286.	\$ 150,821.
Accounts receivable:			
State	185.	0.	185.
Federal	11,159.	0.	11,159.
Interfund	39,987.	6,601.	46,588.
Other	11,524.	2,140.	13,664.
Inventories	5,418.	0.	5,418.
Total current assets	<u>186,808.</u>	<u>41,027.</u>	<u>227,835.</u>
Fixed assets:			
Equipment	127,109.	0.	127,109.
Accumulated depreciation	(100,380.)	0.	(100,380.)
Total fixed assets	<u>26,729.</u>	<u>0.</u>	<u>26,729.</u>
Total assets	<u>\$ 213,537.</u>	<u>\$ 41,027.</u>	<u>\$ 254,564.</u>
DEFERRED OUTFLOW OF RESOURCES:			
	<u>\$ 31,139.</u>	<u>\$ 0.</u>	<u>\$ 31,139.</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	\$ 115,418.	\$ 0.	\$ 115,418.
Pension account payable	2,329.	0.	2,329.
Interfund accounts payable	0.	1,200.	1,200.
Prepaid latchkey	0.	13,712.	13,712.
Total current liabilities	<u>117,747.</u>	<u>14,912.</u>	<u>132,659.</u>
Long-term debt:			
Net pension liability	<u>77,151.</u>	<u>0.</u>	<u>77,151.</u>
Total liabilities	<u>194,898.</u>	<u>14,912.</u>	<u>209,810.</u>
DEFERRED INFLOW OF RESOURCES:			
	<u>\$ 165.</u>	<u>\$ 0.</u>	<u>\$ 165.</u>
NET POSITION:			
Invested in capital assets net of related debt	26,729.	0.	26,729.
Unrestricted	22,884.	26,115.	48,999.
Total net position	<u>\$ 49,613.</u>	<u>\$ 26,115.</u>	<u>\$ 75,728.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Food Service	Latchkey	Totals
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch and breakfast program	\$ 39,349.	\$ 0.	\$ 39,349.
Daily sales non-reimbursable programs:			
Adult and other sales	82,276.	0.	82,276.
Service fees	0.	40,495.	40,495.
Total operating revenues	121,625.	40,495.	162,120.
OPERATING EXPENSES:			
Cost of sales - reimbursable	100,549.	0.	100,549.
Cost of sales - nonreimbursable	29,653.	0.	29,653.
Salaries and fringe benefits	145,921.	26,710.	172,631.
Miscellaneous	4,359.	0.	4,359.
Supplies and materials	18,937.	6,708.	25,645.
Repairs and Maintenance	1,653.	0.	1,653.
Management fees	35,000.	0.	35,000.
Depreciation	3,468.	0.	3,468.
Total operating expenses	339,540.	33,418.	372,958.
Operating income/(loss) before transfer	(217,915.)	7,077.	(210,838.)
Operating transfer in/out:			
Operating transfer in/(out)	0.	0.	0.
Operating income/(loss)	(217,915.)	7,077.	(210,838.)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,778.	0.	2,778.
Federal sources:			
National school breakfast program	34,686.	0.	34,686.
National school lunch program	128,924.	0.	128,924.
National afterschool snack	8,517.	0.	8,517.
Food distribution program	21,827.	0.	21,827.
Interest	102.	64.	166.
Total nonoperation revenues	196,834.	64.	196,898.
Transfer of pension related items	0.	17,749.	17,749.
Change in net position	(21,081.)	24,890.	3,809.
Net position - beginning	70,694.	1,225.	71,919.
Net position - ending	\$ 49,613.	\$ 26,115.	\$ 75,728.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Food Service Fund	Latchkey Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	\$ 61,293.	\$ 47,116.	\$ 108,409.
Cash payments to suppliers	(163,562.)	(5,318.)	(168,880.)
Other receipts (payment)	47,456.	0.	47,456.
Payment to employees	(39,169.)	(31,648.)	(70,817.)
Net cash used by operating activities	(93,982.)	10,150.	(83,832.)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State sources	3,125.	0.	3,125.
Federal sources	191,729.	0.	191,729.
Transfer	0.	17,749.	17,749.
Net cash provided by non-capital financing activities	194,854.	17,749.	212,603.
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest on Investment	102.	64.	166.
Net cash provided by financing activities	102.	64.	166.
Net increase/(decrease) in cash and cash equivalents	100,974.	27,963.	128,937.
Cash and cash equivalents - July 1	17,561.	22,072.	39,633.
Cash and cash equivalents - June 30	\$ 118,535.	\$ 50,035.	\$ 168,570.
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	\$ (217,915.)	\$ 7,077.	\$ (210,838.)
Adjustments to reconcile operating loss to cash provided (used) by operating activities:			
Depreciation	3,468.	0.	3,468.
Federal commodities	21,827.	0.	21,827.
Transfer	0.	17,749.	17,749.
Change in assets and liabilities:			
(Increase)/decrease in accounts receivable	(11,524.)	(1,038.)	(12,562.)
(Increase)/decrease in inventory	2,813.	0.	2,813.
(Increase)/decrease in interfund account receivables	298.	(4,748.)	(4,450.)
(Increase)/decrease in outflow of resources	(14,969.)	2,290.	(12,679.)
Increase/(decrease) in accounts payable	100,737.	(936.)	99,801.
Increase/(decrease) in interfund accounts payable	0.	1,200.	1,200.
Increase/(decrease) in prepaid latchkey	0.	7,659.	7,659.
Increase/(decrease) in deferred inflow of resources	(907.)	(1,156.)	(2,063.)
Increase/(decrease) in net pension liability	22,190.	(17,947.)	4,243.
Net cash provided by (used) by operating activities	\$ (93,982.)	\$ 10,150.	\$ (83,832.)

INTERNAL SERVICE FUND

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

	<u>Shared Business Service</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 472,733.
Total current assets	<u>472,733.</u>
Fixed assets:	
Equipment	10,117.
Accumulated depreciation	<u>(6,092.)</u>
Total fixed assets	<u>4,025.</u>
Total assets	<u>\$ 476,758.</u>
DEFERRED OUTFLOW OF RESOURCES:	<u>\$ 72,493</u>
LIABILITIES:	
Current liabilities:	
Pension account payable	<u>5,368.</u>
Total current liabilities	<u>5,368.</u>
Long-term debt:	
Net pension liability	<u>178,733.</u>
Total liabilities	<u>184,101.</u>
DEFERRED INFLOW OF RESOURCES	<u>301.</u>
NET POSITION:	
Invested in capital assets net of related debt	4,025.
Unrestricted	<u>360,824.</u>
Total net position	<u>\$ 364,849.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Shared Business Services</u>
OPERATING REVENUES:	
Federal sources	
Fee	\$ 181,000.
Total operating revenues	<u>181,000.</u>
OPERATING EXPENSES:	
Salaries	153,278.
Pension Expense	14,730.
General Supplies	190.
Depreciation	1,150.
Miscellaneous	<u>1,399.</u>
Total operating expenses	<u>170,747.</u>
Operating income/(loss)	<u>10,253.</u>
Change in net position	<u>10,253.</u>
Net Position - beginning	354,596.
Net position - ending	<u>\$ 364,849.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Shared Business Services</u>
CASH FLOW FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 181,000.
Payment to suppliers	(1,589.)
Payment to employees	(153,278.)
Net cash provided (used) by operating activities	<u>26,133.</u>
CASH FLOWS FOR FINANCING ACTIVITIES:	
Repayment of interfund loan	<u>0.</u>
Net cash provided (used) by financing activities	<u>0.</u>
Net increase/decrease in cash and cash equivalents	26,133.
Cash and cash equivalents - July 1	<u>446,600.</u>
Cash and cash equivalents - June 30	<u>\$ 472,733.</u>
Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:	
Operating income (loss)	\$ 10,253.
Adjustments to reconcile operating loss to cash provided (used) by operating activities:	
Depreciation	1,150.
Change in assets and liabilities:	
(Increase)/decrease in intergovernmental receivable	
(Increase)/decrease in deferred outflow of resources	(34,927.)
Increase/(decrease) in account payable	1.
Increase/(decrease) in deferred inflow of resources	(2,120.)
Increase/(decrease) in net pension liability	51,776.
Net cash provided (used in) operating activities	<u>\$ 26,133.</u>

FIDUCIARY FUND

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2017

	Student Activity	Payroll/ Agency	Private Purpose Scholarship Fund	Unemployment Compensation Trust	Total
ASSETS:					
Cash & Cash Equivalents	\$ 16,642.	\$ 5,367.	\$ 10,485.	\$ 86,736.	\$ 119,230.
Due from Agency	0.	0.	0.	6,229.	6,229.
Due from General	0.	3,353.	0.	30,000.	33,353.
Total Assets	\$ 16,642.	\$ 8,720.	\$ 10,485.	\$ 122,965.	\$ 158,812.
DEFERRED OUTFLOW OF RESOURCES:					
	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
LIABILITIES:					
Due to Student Groups	\$ 16,642.	\$ 0.	\$ 0.	\$ 0.	\$ 16,642.
Due to Payroll Withholdings	0.	2,491.	0.	0.	2,491.
Due to Unemployment	0.	6,229.	0.	0.	6,229.
Total Liabilities	\$ 16,642.	\$ 8,720.	\$ 0.	\$ 0.	\$ 25,362.
DEFERRED INFLOW OF RESOURCES:					
	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
NET POSITION:					
	\$ 0.	\$ 0.	\$ 10,485.	\$ 122,965.	\$ 133,450.
Total Net Position	\$ 0.	\$ 0.	\$ 10,485.	\$ 122,965.	\$ 133,450.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Total
ADDITIONS:			
Contributions:			
Plan Member	\$ 7,317.	\$ 0.	\$ 7,317.
Other	0.	2,853.	2,853.
Board Contribution	30,000.	0.	30,000.
Total Contributions	<u>37,317.</u>	<u>2,853.</u>	<u>40,170.</u>
Investment Earnings:			
Interest	173.	19.	192.
Net Investment Earnings	<u>173.</u>	<u>19.</u>	<u>192.</u>
Total Additions	<u>37,490.</u>	<u>2,872.</u>	<u>40,362.</u>
DEDUCTIONS:			
Scholarships Awarded	0.	0.	0.
Other	173.	201.	374.
Unemployment Claims	6,997.	0.	6,997.
Total Deductions	<u>7,170.</u>	<u>201.</u>	<u>7,371.</u>
Change in Net Position	30,320.	2,671.	32,991.
NET POSITION, JULY 1	<u>92,645.</u>	<u>7,814.</u>	<u>100,459.</u>
NET POSITION, JUNE 30	<u>\$ 122,965.</u>	<u>\$ 10,485.</u>	<u>\$ 133,450.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Cash Balance July 1, 2016	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2017
Myron L. Powell	\$ 18,345.	\$ 18,347.	\$ 20,050.	\$ 16,642.
Total	\$ 18,345.	\$ 18,347.	\$ 20,050.	\$ 16,642.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
ASSETS:				
Cash and Cash Equivalents	\$ 4,009.	\$ 4,903,832.	\$ 4,902,474.	\$ 5,367.
Due from General	3,318.	35.	0.	3,353.
Total Assets	\$ 7,327.	\$ 4,903,867.	\$ 4,902,474.	\$ 8,720.
LIABILITIES:				
Net Payroll	\$ 0.	\$ 2,668,341.	\$ 2,668,341.	\$ 0.
Payroll Deductions and Withholdings	1,533.	2,235,091.	2,234,133.	2,491.
Due to Unemployment	5,794.	435.	0.	6,229.
Total Liabilities	\$ 7,327.	\$ 4,903,867.	\$ 4,902,474.	\$ 8,720.

LONG-TERM DEBT

LAWRENCE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017

Issue	Date of Issue	Amount Original Issue	Annual Maturities Date	Amount	Interest Rate Range	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
School Refunding Bonds: Series 2007	12/27/2007	\$ 2,345,000.	3/1/16-17 3/1/18-21 3/1/2022 3/1/2023	\$ 165,000. 160,000. 155,000. 50,000.	3.00% - 4.16%	\$ 1,010,000.	\$ 0.	\$ 165,000.	\$ 845,000.
Myron L Powell Elementary School Additions Series 2010	1/21/2010	\$ 2,216,000.	9/1/2016 9/1/2017 9/1/2018 9/1/2019 9/1/2020 9/1/2021 9/1/2022 9/1/2023 9/1/2024	145,000. 155,000. 160,000. 165,000. 175,000. 180,000. 190,000. 200,000. 206,000.	2.75%-3.75%	1,576,000.	0.	145,000.	1,431,000.
TOTAL						\$ 2,586,000.	\$ 0.	\$ 310,000.	\$ 2,276,000.

LAWRENCE TOWNSHIP SCHOOL DISTRICT BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 141,813.	\$ 0.	\$ 141,813.	\$ 141,813.	\$ 0.
State Sources:					
Debt Service Aid - Type II	115,205.	0.	115,205.	115,205.	0.
Total Revenues	257,018.	0.	257,018.	257,018.	0.
EXPENDITURES:					
Regular Debt Service:					
Interest	92,019.	0.	92,019.	92,019.	0.
Redemption of Principal	310,000.	0.	310,000.	310,000.	0.
Total Regular Debt Service	402,019.	0.	402,019.	402,019.	0.
Total Expenditures	402,019.	0.	402,019.	402,019.	0.
Excess (deficiency) of revenues (over)/under expenditures	(145,001.)	0.	(145,001.)	(145,001.)	0.
Other Financing Sources (Uses):					
Transfers from Capital Project Fund	145,000.	0.	145,000.	145,000.	0.
Fund Balance, July 1	1.	0.	1.	1.	0.
Fund Balance, June 30	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

STATISTICAL SECTION

FINANCIAL TRENDS

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 1,672,364.	\$ 1,824,001.	\$ 1,026,848.	\$ 3,473,378.	\$ 4,295,003.	\$ 4,594,871.	\$ 5,077,440.	\$ 5,139,584.	\$ 5,232,199.	\$ 5,263,369.
Restricted	1,207,970.	820,226.	821,943.	1,238,824.	1,861,213.	2,300,067.	2,232,898.	2,134,952.	2,224,506.	2,253,547.
Unrestricted	158,069.	826,615.	790,506.	570,278.	(85,708.)	238,453.	(20,280.)	(1,312,032.)	(1,432,709.)	(1,574,290.)
Total governmental activities net position	\$ 3,038,403.	\$ 3,470,842.	\$ 2,639,297.	\$ 5,282,480.	\$ 6,070,508.	\$ 7,133,391.	\$ 7,290,058.	\$ 5,962,504.	\$ 6,023,996.	\$ 5,942,626.
Business-Type Activities:										
Invested in capital assets, net of related debt	\$ 8,605.	\$ 9,620.	\$ 34,986.	\$ 106,868.	\$ 98,328.	\$ 91,939.	\$ 84,947.	\$ 77,955.	\$ 30,197.	\$ 26,729.
Unrestricted	93,527.	130,468.	141,704.	41,267.	17,476.	31,057.	66,670.	33,078.	41,722.	48,999.
Total business-type activities net position	\$ 102,132.	\$ 140,088.	\$ 176,690.	\$ 148,135.	\$ 115,804.	\$ 122,996.	\$ 151,617.	\$ 111,033.	\$ 71,919.	\$ 75,728.
District-Wide:										
Invested in capital assets, net of related debt	\$ 1,680,969.	\$ 1,833,621.	\$ 1,061,834.	\$ 3,580,246.	\$ 4,393,331.	\$ 4,686,810.	\$ 5,162,387.	\$ 5,217,539.	\$ 5,262,396.	\$ 5,290,098.
Restricted	1,207,970.	820,226.	821,943.	1,238,824.	1,861,213.	2,300,067.	2,232,898.	2,134,952.	2,224,506.	2,253,547.
Unrestricted	251,596.	957,083.	932,210.	611,545.	(68,232.)	269,510.	46,390.	(1,278,954.)	(1,390,987.)	(1,525,291.)
Total District Net Position	\$ 3,140,535.	\$ 3,610,930.	\$ 2,815,987.	\$ 5,430,615.	\$ 6,186,312.	\$ 7,256,387.	\$ 7,441,675.	\$ 6,073,537.	\$ 6,095,915.	\$ 6,018,354.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 2,223,554.	\$ 2,371,354.	\$ 2,075,026.	\$ 2,368,875.	\$ 2,278,437.	\$ 2,274,341.	\$ 2,567,778.	\$ 2,484,080.	\$ 2,315,227.	\$ 2,491,312.
Special education	410,829.	395,900.	1,138,200.	932,148.	848,676.	770,426.	700,584.	661,458.	706,546.	801,951.
Other special instruction	141,235.	217,338.	180,977.	274,664.	190,636.	172,115.	100,026.	263,007.	81,742.	46,438.
Other instruction	25,473.	24,381.	38,479.	43,572.	39,749.	50,948.	58,426.	55,654.	34,745.	37,200.
Adult/continuing education programs	4,374.	4,874.	0.	0.	0.	0.	0.	0.	0.	0.
Support Services:										
Tuition	1,510,000.	2,057,425.	1,684,045.	1,741,322.	2,065,829.	2,049,782.	2,181,410.	2,387,209.	2,546,448.	2,205,357.
Student & instruction related services	728,580.	391,387.	381,057.	368,331.	439,958.	476,349.	555,285.	556,559.	627,560.	721,161.
School administrative Services	184,112.	171,838.	161,127.	174,041.	194,948.	209,091.	190,402.	197,367.	189,938.	213,150.
General & business administration services	371,669.	397,286.	418,617.	386,351.	383,046.	362,142.	366,823.	372,146.	376,135.	397,545.
Plant operations & maintenance	663,342.	491,254.	488,306.	542,142.	529,213.	480,580.	489,078.	483,154.	453,102.	492,244.
Pupil transportation	590,887.	685,201.	708,703.	684,342.	728,121.	724,617.	683,056.	652,393.	644,708.	646,848.
Other support services	1,272,217.	1,236,924.	1,348,621.	1,453,931.	1,544,495.	1,704,147.	1,544,406.	2,458,355.	2,774,116.	3,543,968.
Interest on long-term debt	103,015.	85,223.	111,839.	176,148.	105,788.	128,567.	119,107.	109,215.	99,053.	88,489.
Internal Service	559,107.	553,327.	109,020.	65,633.	89,353.	120,244.	69,115.	72,748.	75,939.	170,747.
Debt service assessment	0.	0.	0.	0.	0.	25,954.	40,020.	40,020.	40,020.	40,020.
Amortization of debt issuance cost	982.	1,964.	3,173.	4,382.	4,382.	4,382.	0.	0.	0.	0.
Total governmental activities expenses	8,789,376.	9,085,676.	8,847,190.	9,215,882.	9,442,631.	9,553,685.	9,665,516.	10,793,365.	10,965,279.	11,896,430.
Business-type activities:										
Food service	226,471.	246,602.	294,050.	275,241.	295,526.	309,511.	308,187.	291,745.	284,569.	339,540.
Child care	47,859.	49,051.	65,940.	55,591.	48,075.	28,347.	28,077.	34,802.	36,451.	33,418.
Total business-type activities expense	274,330.	295,653.	359,990.	330,832.	343,601.	337,858.	336,264.	326,547.	321,020.	372,958.
Total district expenses	\$ 9,063,706.	\$ 9,381,329.	\$ 9,207,180.	\$ 9,546,714.	\$ 9,786,232.	\$ 9,891,543.	\$ 10,001,780.	\$ 11,119,912.	\$ 11,286,299.	\$ 12,269,388.
Program Revenues:										
Governmental activities:										
Charges for services:										
Central and other support services	\$ 97,500.	\$ 129,100.	\$ 104,000.	\$ 103,350.	\$ 141,800.	\$ 204,400.	\$ 106,000.	\$ 106,000.	\$ 106,000.	\$ 181,000.
Operating grants and contributions	1,015,602.	837,631.	449,055.	432,039.	517,370.	675,617.	575,190.	1,381,218.	1,161,342.	2,278,263.
Total governmental activities program revenues	1,113,102.	966,731.	553,055.	535,389.	659,170.	880,017.	681,190.	1,487,218.	1,267,342.	2,459,263.
Business-type activities:										
Charges for services:										
Food service	109,597.	102,478.	97,708.	68,122.	68,595.	74,080.	74,078.	74,255.	75,170.	121,625.
Child care	42,072.	35,246.	46,632.	41,741.	38,591.	43,149.	47,302.	47,095.	65,647.	40,495.
Operating grants & contributions	168,635.	195,885.	221,480.	192,414.	204,084.	227,393.	243,324.	221,855.	198,932.	196,732.
Total business type activities program revenues	320,304.	333,609.	365,820.	302,277.	311,270.	344,622.	364,704.	343,205.	339,749.	358,852.
Total district program revenues	\$ 1,433,406.	\$ 1,300,340.	\$ 918,875.	\$ 837,666.	\$ 970,440.	\$ 1,224,639.	\$ 1,045,894.	\$ 1,830,423.	\$ 1,607,091.	\$ 2,818,115.
Net (Expense)/Revenue										
Governmental activities	(7,676,274.)	(8,118,945.)	(8,294,135.)	(8,680,493.)	(8,783,461.)	(8,673,668.)	(8,984,326.)	(9,306,147.)	(9,697,937.)	(9,437,167.)
Business-type activities	45,974.	37,956.	5,830.	(28,555.)	(32,331.)	6,764.	28,440.	16,658.	18,729.	(14,106.)
Total district-wide net expense	\$ (7,630,300.)	\$ (8,080,989.)	\$ (8,288,305.)	\$ (8,709,048.)	\$ (8,815,792.)	\$ (8,666,904.)	\$ (8,955,886.)	\$ (9,289,489.)	\$ (9,679,208.)	\$ (9,451,273.)

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,879,691.	\$ 1,879,691.	\$ 1,927,691.	\$ 1,927,691.	\$ 1,927,691.	\$ 1,927,691.	\$ 1,927,691.	\$ 2,157,571.	\$ 2,204,384.	\$ 2,204,384.
Taxes levied for debt service	78,386.	76,201.	53,260.	173,805.	280,567.	246,709.	287,122.	150,749.	148,639.	141,813.
Grants and contributions	5,643,144.	6,576,805.	6,424,007.	9,090,962.	7,286,639.	7,288,360.	6,925,625.	6,930,461.	7,417,991.	7,005,734.
Tuition received	12,785.	5,808.	22,436.	45,680.	2,882.	61,684.	24,241.	9,629.	8,689.	0.
Investment earnings	64,793.	13,759.	26,747.	34,921.	34,376.	20,077.	11,781.	10,903.	6,458.	6,384.
Miscellaneous income	82,761.	34,571.	36,509.	50,613.	39,336.	196,430.	10,991.	19,812.	11,720.	15,231.
Adjustment	0.	0.	0.	0.	0.	0.	0.	0.	(16,973.)	0.
Adjustment to fixed assets	0.	0.	(1,020,000.)	0.	(2.)	(4,400.)	0.	(51,923.)	(21,479.)	0.
Transfers	0.	0.	0.	0.	0.	0.	0.	0.	(17,749.)	(17,749.)
Total governmental activities	7,761,560.	8,586,835.	7,470,650.	11,323,672.	9,571,489.	9,736,551.	9,187,451.	9,227,202.	9,759,429.	9,355,797.
Business-type activities:										
Investment earnings	0.	0.	36.	0.	0.	2.	181.	225.	221.	166.
Adjustment to fixed assets	0.	0.	30,736.	0.	0.	0.	0.	0.	(58,994.)	0.
Transfers	0.	0.	0.	0.	0.	426.	0.	0.	930.	17,749.
Total business-type activities	0.	0.	30,772.	0.	0.	428.	181.	225.	(57,843.)	17,915.
Total district-wide	\$ 7,761,560.	\$ 8,586,835.	\$ 7,501,422.	\$ 11,323,672.	\$ 9,571,489.	\$ 9,736,979.	\$ 9,187,632.	\$ 9,227,427.	\$ 9,701,586.	\$ 9,373,712.
Change in net position										
Governmental activities	85,286.	467,890.	(823,485.)	2,643,179.	788,028.	1,062,883.	203,125.	(78,945.)	61,492.	(81,370.)
Business-type activities	45,974.	37,956.	36,602.	(28,555.)	(32,331.)	7,192.	28,621.	16,883.	(39,114.)	3,809.
Total district	\$ 131,260.	\$ 505,846.	\$ (786,883.)	\$ 2,614,624.	\$ 755,697.	\$ 1,070,075.	\$ 231,746.	\$ (62,062.)	\$ 22,378.	(77,561.)

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 1,185,476.	\$ 1,768,344.	\$ 1,536,929.	\$ 1,441,424.	\$ 1,663,958.	\$ 2,040,321.	\$ 1,792,170.	\$ 1,760,849.	\$ 1,976,821.	\$ 2,150,863.
Unreserved	147,934.	(184,346.)	(301,372.)	(228,156.)	(257,396.)	(264,550.)	(281,638.)	(282,616.)	(318,729.)	(303,398.)
Total general fund	\$ 1,333,410.	\$ 1,583,998.	\$ 1,235,557.	\$ 1,213,268.	\$ 1,406,562.	\$ 1,775,771.	\$ 1,510,532.	\$ 1,478,233.	\$ 1,658,092.	\$ 1,847,465.
All Other Governmental Funds										
Reserved	\$ 0.	\$ 0.	\$ 298,827.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Unreserved, reported in:										
Special revenue fund	(28,326.)	(23,291.)	(24,062.)	(24,991.)	(31,470.)	(27,350.)	(39,684.)	(29,037.)	(32,909.)	(24,198.)
Capital projects fund	0.	0.	1,888,285.	531,986.	227,035.	532,684.	522,684.	387,684.	247,684.	102,684.
Debt service fund	22,494.	22,494.	887.	32,887.	32,000.	0.	1.	2.	1.	0.
Total all other governmental funds	\$ (5,832.)	\$ (797.)	\$ 2,163,937.	\$ 539,882.	\$ 227,565.	\$ 505,334.	\$ 483,001.	\$ 358,649.	\$ 214,776.	\$ 78,486.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue										
Tax levy	\$ 1,958,077.	\$ 1,955,892.	\$ 1,980,951.	\$ 2,101,496.	\$ 2,208,258.	\$ 2,174,400.	\$ 2,214,813.	\$ 2,308,320.	\$ 2,353,023.	\$ 2,346,197.
Tuition charges	12,785.	5,808.	22,436.	45,680.	2,882.	61,684.	24,241.	9,629.	8,689.	0.
Interest earnings	64,793.	13,759.	26,748.	34,921.	34,376.	20,077.	11,781.	10,903.	6,458.	6,384.
Miscellaneous	82,761.	34,571.	36,509.	50,613.	39,336.	196,430.	10,991.	19,812.	11,720.	15,231.
State sources	5,516,139.	6,156,755.	5,109,472.	8,970,176.	7,155,397.	7,465,355.	7,036,875.	7,088,908.	7,260,510.	7,409,662.
Federal sources	645,177.	794,579.	1,720,715.	552,825.	648,612.	498,622.	463,940.	476,626.	440,801.	454,900.
Total Revenue	8,279,732.	8,961,364.	8,896,831.	11,755,711.	10,088,861.	10,416,568.	9,762,641.	9,914,198.	10,081,201.	10,232,374.
Expenditures										
Instruction:										
Regular instruction	2,131,441.	2,281,794.	2,011,057.	2,306,653.	2,179,652.	2,137,101.	2,419,526.	2,355,927.	2,186,829.	2,329,641.
Special education instruction	394,081.	379,616.	1,126,569.	920,835.	830,715.	745,473.	673,628.	638,157.	683,201.	772,556.
Other special instruction	141,235.	217,338.	180,977.	274,664.	190,636.	172,115.	100,026.	263,007.	81,742.	46,438.
School sponsored/other instruction	29,847.	29,255.	38,479.	43,572.	39,749.	50,948.	58,426.	55,654.	34,745.	37,200.
Support services:										
Tuition	1,510,000.	2,057,425.	1,684,045.	1,741,322.	2,065,829.	2,049,782.	2,181,410.	2,387,209.	2,546,448.	2,205,357.
Student & instruction related services	728,580.	391,387.	381,057.	368,331.	439,958.	476,349.	555,285.	556,559.	627,560.	721,161.
General administration	349,897.	225,662.	235,670.	196,891.	179,522.	153,655.	155,361.	155,746.	154,966.	162,664.
School administration services	162,340.	150,669.	146,007.	159,334.	171,599.	176,652.	149,716.	167,076.	159,590.	174,937.
Central Services	0.	150,455.	167,827.	174,753.	180,175.	176,048.	182,066.	186,109.	190,821.	196,668.
Plant operations and maintenance	648,269.	476,599.	477,838.	531,960.	513,048.	458,124.	464,819.	462,183.	432,091.	465,789.
Pupil transportation	590,887.	685,201.	702,602.	684,342.	730,316.	724,617.	683,056.	652,393.	644,708.	646,848.
Employee benefits	1,289,281.	1,227,389.	1,348,621.	1,397,768.	1,544,495.	1,736,503.	1,511,958.	1,691,216.	1,800,614.	1,961,726.
Capital outlay	8,648.	157,887.	565,973.	4,306,859.	737,109.	315,623.	507,573.	97,094.	77,389.	56,287.
Debt service:										
Principal	176,409.	152,657.	140,000.	140,000.	265,000.	265,000.	285,000.	290,000.	305,000.	310,000.
Interest and other charges	71,293.	86,956.	81,756.	154,774.	140,081.	131,600.	122,363.	112,519.	102,538.	92,019.
Total expenditures	8,232,208.	8,670,290.	9,288,478.	13,402,058.	10,207,884.	9,769,590.	10,050,213.	10,070,849.	10,028,242.	10,179,291.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess (deficiency) of revenues over (under) expenditures	\$ 47,524.	\$ 291,074.	\$ (391,647.)	\$ (1,646,347.)	\$ (119,023.)	\$ 646,978.	\$ (287,572.)	\$ (156,651.)	\$ 52,959.	\$ 53,083.
Other Financing Sources (Uses):										
Proceeds from sale of bonds	19,321.	0.	2,216,000.	0.	0.	0.	0.	0.	0.	0.
Prior year adjustment	0.	0.	0.	0.	0.	0.	0.	0.	(16,973.)	0.
Transfers in	0.	0.	301,672.	32,000.	0.	0.	0.	135,000.	140,000.	145,000.
Transfers out	0.	0.	(301,672.)	(32,000.)	0.	0.	0.	(135,000.)	(140,000.)	(145,000.)
Total Other Financing sources (uses)	19,321.	0.	2,216,000.	0.	0.	0.	0.	0.	(16,973.)	0.
Net change in fund balance	\$ 66,845.	\$ 291,074.	\$ 1,824,353.	\$ (1,646,347.)	\$ (119,023.)	\$ 646,978.	\$ (287,572.)	\$ (156,651.)	\$ 35,986.	\$ 53,083.
Debt Service as a Percentage of Noncapital Expenditures	3.01%	2.81%	2.54%	3.24%	4.28%	4.20%	4.27%	4.04%	4.10%	3.97%

Source: District Records

LAWRENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30	Interest On Investments	Ref/Canc Prior Yr. Expend.	Tuition Adjustment	Misc.	E-Rate Adjustment	Township	Tuition	Settlement	Annual Totals
2008	\$ 64,793.	\$ 3,027.	\$ 6,686.	\$ 12,268.	\$ 8,379.	\$ 12,000.	\$ 12,785.	\$ 0.	\$ 119,938.
2009	13,759.	6,219.	3,941.	8,382.	16,029.	0.	5,808.	0.	54,138.
2010	26,748.	0.	0.	17,382.	12,241.	6,000.	22,436.	0.	84,807.
2011	2,921.	4,035.	0.	1,890.	17,616.	6,000.	45,680.	0.	78,142.
2012	34,376.	0.	0.	7,842.	21,533.	0.	2,882.	0.	66,633.
2013	20,077.	0.	2,459.	19,843.	10,100.	0.	61,684.	162,500.	276,663.
2014	11,781.	0.	0.	0.	9,426.	0.	24,241.	0.	45,448.
2015	10,903.	0.	0.	6,530.	9,908.	0.	9,629.	0.	36,970.
2016	6,458.	0.	0.	0.	9,454.	0.	8,689.	0.	24,601.
2017	6,384.	0.	0.	7,142.	8,089.	0.	0.	0.	21,615.

Source: District records

REVENUE CAPACITY

LAWRENCE TOWNSHIP SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

	Year Ended Dec. 31	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
Lawrence Township	2007	\$ 115,535,323.	\$ 183,693,066.	62.90%
	2008	117,779,054.	213,249,498.	55.23%
	2009	119,645,809.	231,679,673.	51.64%
	2010	224,917,461.	239,272,794.	94.00%
	2011	244,010,260.	240,502,479.	101.46%
	2012	244,744,305.	241,144,772.	101.49%
	2013	242,106,183.	235,892,153.	102.63%
	2014	240,197,557.	219,143,933.	109.61%
	2015	239,717,632.	213,733,505.	112.16%
	2016	236,485,231.	211,326,371.	111.91%

Source: Abstract of Ratables, County Board of Taxation

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

Fiscal Year Ended June 30,	Lawrence Township School Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Township of Lawrence	Cumberland County	
2007	\$ 1.578	\$ 0.069	\$ 1.647	\$ 0.591	\$ 1.568	\$ 3.806
2008	1.596	0.066	1.662	0.631	1.720	4.013
2009	1.592	0.054	1.646	0.630	1.739	4.015
2010	0.812	0.022	0.834	0.310	0.894	2.038
2011	0.811	0.073	0.884	0.324	0.941	2.149
2012	0.782	0.114	0.896	0.344	0.938	2.178
2013	0.804	0.103	0.907	0.366	0.940	2.213
2014	0.836	0.106	0.942	0.382	0.948	2.272
2015	0.863	0.110	0.973	0.411	0.986	2.370
2016	0.882	0.112	0.994	0.453	1.001	2.448

Source: Municipal Tax Collector

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

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable
- b Rates for debt service are based on each year's requirements

EXHIBIT J-8

LAWRENCE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS.
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Ag-Mart	\$ 3,486,600.	1	1.47%	\$ 2,684,400.	1	2.32%
SF System	3,086,900.	2	1.31%			
NJ Dept. of Environmental Protection	1,140,800.	3	0.48%			
Bell Atlantic	979,731.	4	0.41%			
Taxpayer 1	919,600.	5	0.39%			
Taxpayer 2	743,300.	6	0.31%			
Taxpayer 3	653,500.	7	0.28%			
Nardelli Bros	648,500.	8	0.27%			
E Puglisi & Sons LLC	612,100.	9	0.26%			
Taxpayer 4				1,523,500.	2	1.32%
Taxpayer 5				796,454.	3	0.69%
Taxpayer 6				456,500.	4	0.40%
Taxpayer 7				340,200.	5	0.29%
Total	\$ 12,271,031.		5.19%	\$ 5,801,054.		5.02%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levies For and Collections	Collected Within the Fiscal Year of the Levy (a)		Collection in Subsequent Year
		Amount	Percentage of Levy	
2008	\$ 1,902,201.	\$ 1,902,201.	100.00%	
2009	1,955,892.	1,955,892.	100.00%	
2010	1,980,951.	1,980,951.	100.00%	
2011	2,101,496.	2,101,496.	100.00%	
2012	2,208,258.	2,208,258.	100.00%	
2013	2,174,400.	2,174,400.	100.00%	
2014	2,214,813.	2,214,813.	100.00%	
2015	2,308,320.	2,308,320.	100.00%	
2016	2,353,023.	2,353,023.	100.00%	
2017	2,346,197.	2,346,197.	100.00%	

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

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

DEBT CAPACITY

LAWRENCE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2008	\$ 2,190,000.	\$ 0.	\$ 22,657.	\$ 0.	\$ 0.	\$ 2,212,657.	2.40%	\$ 744.	
2009	2,060,000.	0.	0.	0.	0.	2,060,000.	2.12%	690.	
2010	4,136,000.	0.	0.	0.	0.	4,136,000.	4.13%	1,382.	
2011	3,996,000.	0.	0.	0.	0.	3,996,000.	3.53%	1,214.	
2012	3,731,000.	0.	0.	0.	0.	3,731,000.	3.19%	1,129.	
2013	3,466,000.	0.	0.	0.	0.	3,466,000.	2.96%	1,048.	
2014	3,181,000.	0.	0.	0.	0.	3,181,000.	2.69%	965.	
2015	2,891,000.	0.	0.	0.	0.	2,891,000.	2.49%	883.	
2016	2,586,000.	0.	0.	0.	0.	2,586,000.	2.21%	801.	
2017	2,276,000.	0.	0.	0.	0.	2,276,000.	N/A	711.	

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 2,190,000.	\$ 0.	\$ 2,190,000.	1.86%	749.
2009	2,060,000.	0.	2,060,000.	1.72%	693.
2010	4,136,000.	0.	4,136,000.	1.84%	1,386.
2011	3,996,000.	0.	3,996,000.	1.64%	1,336.
2012	3,731,000.	0.	3,731,000.	1.52%	1,134.
2013	3,466,000.	0.	3,466,000.	1.43%	1,049.
2014	3,181,000.	0.	3,181,000.	1.32%	962.
2015	2,891,000.	0.	2,891,000.	1.21%	877.
2016	2,586,000.	0.	2,586,000.	1.09%	790.
2017	2,276,000.	0.	2,276,000.	N/A	705.

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a See Exhibit NJ J-6 for property tax data.
- b Population data can be found in Exhibit NJ J-14

LAWRENCE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Lawrence Township	\$ 1,212,324	100.000%	\$ 1,212,324
County of Cumberland - Township's Share	92,801,762	2.392%	2,219,818
Subtotal, Overlapping Debt			3,432,142
Lawrence Township School District Direct Debt			2,276,000
Total Direct & Overlapping Debt			<u>5,708,142</u>

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 5,268,248.	\$ 5,268,248.	\$ 6,665,846.	\$ 6,956,633.	\$ 7,095,134.	\$ 7,111,141.	\$ 6,910,235.	\$ 6,651,366.	\$ 6,410,762.	\$ 6,424,270.
Total Net Debt Applicable to Limit	2,190,000.	2,190,000.	4,136,000.	3,996,000.	3,731,000.	3,466,000.	3,181,000.	2,891,000.	2,586,000.	2,276,000.
Legal Debt Margin	\$ 3,078,248.	\$ 3,078,248.	\$ 2,529,846.	\$ 2,960,633.	\$ 3,364,134.	\$ 3,645,141.	\$ 3,729,235.	\$ 3,760,366.	\$ 3,824,762.	\$ 4,148,270.
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	41.57%	41.57%	62.05%	57.44%	52.59%	48.74%	46.03%	43.46%	40.34%	35.43%

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized Valuation Basis	
2016	\$ 219,456,430.
2015	211,447,161.
2014	211,523,388.
	\$ 642,426,979.
Average Equalized Valuation of Taxable Property	214,142,326.
Debt Limit (3 % of Average Equalization Value)	6,424,270. (a)
Total Net Debt Applicable to Limit	2,276,000.
Legal Debt Margin	\$ 4,148,270.

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

(a) Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

LAWRENCE TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2007	2,973	\$ 92,365,164.	\$ 31,068.	5.50%
2008	2,984	97,364,936.	32,629.	6.70%
2009	2,992	100,067,440.	33,445.	11.60%
2010	3,291	113,207,109.	34,399.	12.40%
2011	3,305	117,039,965.	35,413.	14.20%
2012	3,306	117,257,208.	35,468.	15.90%
2013	3,298	118,150,850.	35,825.	13.50%
2014	3,273	116,086,764.	35,468.	12.20%
2015	3,227	116,988,431.	36,253.	10.60%
2016	3,200	N/A	N/A	9.20%

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income has been estimated based upon the municipal population and per capita personal income presented
- c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- d Unemployment data provided by the N.J. Dept. of Labor and Workforce Development

OPERATING INFORMATION

LAWRENCE TOWNSHIP BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular	34.0	34.5	38.0	39.5	37.0	38.0	40.0	39.5	38.0	41.0
Special Education	11.0	15.5	17.0	15.7	10.0	8.0	7.0	8.0	7.0	7.0
Other Special Education										
Support Services:										
Student & Instruction Related Services	1.0	2.0	2.0	1.0	1.0	2.0	2.0	4.0	3.0	8.0
General administration	2.0	2.0	1.5	2.1	1.5	2.0	1.0	1.0	1.0	1.0
School administrative services	3.0	3.0	3.0	3.0	3.5	3.0	4.0	4.0	4.0	4.7
Other Administrative Services										
Central services	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Plant Operations & Maintenance	5.7	5.7	5.7	4.0	5.7	5.7	5.7	5.7	5.2	5.2
Total	58.9	64.7	69.2	67.3	60.7	60.7	61.7	64.2	60.2	69.9

Source: District Personnel Records

LAWRENCE TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2008	452.0	7,997,267.	17,693.	8.87%	45.0	1:10	N/A	N/A	448.7	427.5	(3.95)%	96.97%
2009	472.0	8,272,790.	17,527.	(0.94)%	50.0	1:10	N/A	N/A	459.6	436.1	(2.88)%	95.28%
2010	453.0	8,531,275.	18,833.	7.45%	55.0	1:08	N/A	N/A	449.1	423.3	2.43%	94.89%
2011	436.0	8,500,749.	19,497.	3.53%	55.2	1:08	N/A	N/A	434.0	416.0	(2.28)%	94.26%
2012	466.0	9,065,694.	19,454.	(0.22)%	47.0	1:09	N/A	N/A	470.4	445.8	8.39%	94.77%
2013	504.0	9,057,367.	17,971.	(0.76)%	46.0	1:10	N/A	N/A	501.0	470.0	6.51%	93.81%
2014	510.0	9,135,277.	17,912.	(0.33)%	47.0	1:09	N/A	N/A	508.0	483.0	1.40%	95.08%
2015	499.0	9,571,236.	19,181.	7.08%	47.5	1:10	N/A	N/A	496.0	471.0	(2.36)%	94.96%
2016	486.0	9,543,315.	19,636.	2.37%	45.0	1:09	N/A	N/A	482.0	457.0	(2.82)%	94.81%
2017	472.0	9,720,985.	20,595.	4.89%	48.0	1:08	N/A	N/A	476.0	445.0	(1.24)%	93.49%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

LAWRENCE TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Elementary:</u>										
M.L. Powell Elementary (1885)	54,412	54,412	54,412	59,149	59,149	59,149	59,149	59,149	59,149	59,149
Square Feet	578	578	578	628	628	628	628	628	628	628
Capacity (Students)	452	472	453	436	466	504	510	499	486	472
Enrollment										

Number of Schools at June 30, 2017:
 Elementary = 1

Source: District Facilities Office

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

*School Facilities Project #(s)	Myron Powell School	Total
2008	38,413.	38,413.
2009	25,887.	25,887.
2010	45,677.	45,677.
2011	71,021.	71,021.
2012	72,874.	72,874.
2013	85,866.	85,866.
2014	21,890.	21,890.
2015	44,856.	44,856.
2016	46,407.	46,407.
2017	75,224.	75,224.
Total School Facilities	<u>\$ 528,115.</u>	<u>\$ 528,115.</u>

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

Source: District records

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Policy		
Property		
Blanket Building & Contents	\$11,941,797.	\$ 1,000.
Limited Water Damage	500,000.	1,000.
General Liability	3,000,000.	
Earthquake - Volcanic Eruption	1,000,000.	25,000.
Employee Benefits	1,000,000.	1,000.
Flood Coverage	1,015,000.	25,000.
Governmental Crime	100,000.	500.
Crisis Event Expense	250,000.	
Abuse or Molestation Liability	1,000,000.	
Employee Related Practices Liability	1,000,000.	5,000.
Inland Marine		
Computer	202,550.	500.
Miscellaneous Property	500,000.	500.
Valuable Papers & Records	100,000.	500.
Signs	30,000.	500.
Board of Education Liability	1,000,000.	7,500.
Governmental Crime-Computer and Funds Transfer	100,000.	
Commercial Excess Liability	1,000,000.	10,000.
Workers' Compensation and Employers Liability	2,000,000.	
Commercial Automobile	1,000,000.	13.
Fungus, Wet Rot, Dry Rot, and Bacteria	50,000.	
Limited Backup of Sewer or Drains Coverage (Not Flood Related)	1,000,000.	
Cybersurance - Privacy and Security Breach Coverage	250,000.	5,000.
Blanket Student Accident Liability	1,000,000.	
Voluntary Blanket Student Accident Liability	500,000.	
Catastrophic Student Accident	2,500,000.	25,000.
Surety Bonds:		
Business Administrator: Lisa DiNovi	180,000.	

Source: District Records

SINGLE AUDIT SECTION

K-1

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the 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 Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Lawrence Township Board of Education's basic financial statements, and have issued our report thereon dated November 22, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lawrence Township Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lawrence Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lawrence Township Board of Education'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 purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness 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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

November 22, 2017



CERTIFIED PUBLIC ACCOUNTANTS, LLC

Thinking ahead to
achieve success.

MEMBERS:
• American Institute of
Certified Public Accountants
• New Jersey Society of
Certified Public Accountants

Wayne H. Triantos, CPA
Samuel A. Delp, Jr., CPA

K-2

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS, AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE
AWARDS, REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Lawrence Township Board of Education's major state programs for the year ended June 30, 2017. Lawrence Township Board of Education's major 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 each of its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lawrence Township Board of Education's major 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, 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 state program occurred. An audit includes examining, on a test basis, evidence about the Lawrence Township Board of Education'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 Lawrence Township Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state programs for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Lawrence Township Board of Education 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 Lawrence Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with Uniform Guidance, and the New Jersey State Aid/Grant Compliance Supplement, 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 Lawrence Township Board of Education's internal control over compliance.

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

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

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 Uniform Guidance and NJ OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

November 22, 2017

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Federal FAIN No.	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments
U.S. Department of Education Passed										
Through State Department of Education:										
Special Revenue Fund:										
Title I, Part A	84.010A	S010A150030	NCLB-257017	\$ 237,707.	07/01/16 - 06/30/17	\$ 0.	\$ 0.	\$ 160,256.	\$ (241,693.)	\$ 0.
Title I, Part A	84.010A	S010A150030	NCLB-257016	242,281.	07/01/15 - 06/30/16	(77,870.)	0.	77,870.	0.	0.
Title II, Part A	84.367A	S367A150029	NCLB-257017	17,453.	07/01/16 - 06/30/17	0.	0.	6,634.	(17,453.)	0.
Title II, Part A	84.367A	S367A150029	NCLB-257016	18,869.	07/01/15 - 06/30/16	(5,327.)	0.	5,327.	0.	0.
I.D.E.A. Part B Basic	84.027	H027A150100	FT-257017	161,255.	07/01/16 - 06/30/17	0.	0.	147,814.	(161,255.)	0.
I.D.E.A. Part B Basic	84.027	H027A150100	FT-257016	167,848.	07/01/15 - 06/30/16	(16,550.)	0.	16,550.	0.	0.
I.D.E.A. Preschool	84.173	H173A150114	PS-257017	4,423.	07/01/16 - 06/30/17	0.	0.	4,423.	(4,423.)	0.
REAP	84.358B	S358B150030		40,626.	07/01/16 - 09/30/17	0.	0.	0.	(34,900.)	0.
Total Special Revenue Fund						(99,747.)	0.	418,874.	(459,724.)	0.
U.S. Department of Agriculture Passed										
Through State Department of Education										
Enterprise Fund:										
Food Distribution Program	10.555	16161NJ304N1099	N/A	21,827.	07/01/16 - 06/30/17	0.	0.	21,827.	(18,489.)	0.
Food Distribution Program	10.555	16161NJ304N1099	N/A	22,337.	07/01/15 - 06/30/16	5,382.	0.	0.	(5,382.)	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	34,686.	07/01/16 - 06/30/17	0.	0.	32,697.	(34,686.)	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	36,300.	07/01/15 - 06/30/16	(6,026.)	0.	6,026.	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	128,924.	07/01/16 - 06/30/17	0.	0.	120,341.	(128,924.)	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	128,538.	07/01/15 - 06/30/16	(23,017.)	0.	23,017.	0.	0.
National After School Snack	10.555	16161NJ304N1099	N/A	8,517.	07/01/16 - 06/30/17	0.	0.	7,930.	(8,517.)	0.
National After School Snack	10.555	16161NJ304N1099	N/A	8,712.	07/01/15 - 06/30/16	(1,718.)	0.	1,718.	0.	0.
Total Enterprise Fund						(25,379.)	0.	213,556.	(195,998.)	0.
Total Federal Financial Awards						\$ (125,126.)	\$ 0.	\$ 632,430.	\$ (655,722.)	\$ 0.

The Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an Integral Part of this Schedule.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Federal FAIN No.	Grant or State Project Number	Program or Award Amount	Grant Period		Repayment of Prior Years' Bal.	Balance at June 30, 2017		Note Reference
					From	To		Accounts Receivable	Deferred Revenue	
U.S. Department of Education Passed										
Through State Department of Education:										
Special Revenue Fund:										
Title I, Part A	84.010A	S010A150030	NCLB-257017	\$ 237,707.	07/01/16	- 06/30/17	\$ 0.	\$ (81,437.)	\$ 0.	0.
Title I, Part A	84.010A	S010A150030	NCLB-257016	242,281.	07/01/15	- 06/30/16	0.	0.	0.	0.
Title II, Part A	84.367A	S367A150029	NCLB-257017	17,453.	07/01/16	- 06/30/17	0.	(10,819.)	0.	0.
Title II, Part A	84.367A	S367A150029	NCLB-257016	18,869.	07/01/15	- 06/30/16	0.	0.	0.	0.
I.D.E.A. Part B Basic	84.027	H027A150100	FT-257017	161,255.	07/01/16	- 06/30/17	0.	(13,441.)	0.	0.
I.D.E.A. Part B Basic	84.027	H027A150100	FT-257016	167,848.	07/01/15	- 06/30/16	0.	0.	0.	0.
I.D.E.A. Preschool	84.173	H173A150114	PS-257017	4,423.	07/01/16	- 06/30/17	0.	0.	0.	0.
REAP	84.358B	S358B150030		40,626.	07/01/16	- 09/30/17	0.	(34,900.)	0.	0.
Total Special Revenue Fund							0.	(140,597.)	0.	0.
U.S. Department of Agriculture Passed										
Through State Department of Education										
Enterprise Fund:										
Food Distribution Program	10.555	16161NJ304N1099	N/A	21,827.	07/01/16	- 06/30/17	0.	0.	3,338.	0.
Food Distribution Program	10.555	16161NJ304N1099	N/A	22,337.	07/01/15	- 06/30/16	0.	0.	0.	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	34,686.	07/01/16	- 06/30/17	0.	(1,989.)	0.	0.
National School Breakfast Program	10.553	16161NJ304N1099	N/A	36,300.	07/01/15	- 06/30/16	0.	0.	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	128,924.	07/01/16	- 06/30/17	0.	(8,583.)	0.	0.
National School Lunch Program	10.555	16161NJ304N1099	N/A	128,538.	07/01/15	- 06/30/16	0.	0.	0.	0.
National After School Snack	10.555	16161NJ304N1099	N/A	8,517.	07/01/16	- 06/30/17	0.	(587.)	0.	0.
National After School Snack	10.555	16161NJ304N1099	N/A	8,712.	07/01/15	- 06/30/16	0.	0.	0.	0.
Total Enterprise Fund							0.	(11,159.)	3,338.	0.
Total Federal Financial Awards							\$ 0.	\$ (151,756.)	\$ 3,338.	\$ 0.

The Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an Integral Part of this Schedule.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From	To	Deferred Revenue (Accts. Rec.)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances
State Department of Education:										
General Fund:										
Equalization Aid	17-495-034-5120-078	\$ 5,091,223.	07/01/16 -	06/30/17	\$ 0.	\$ 0.	\$ 0.	\$ 5,091,223.	\$ (5,091,223.)	\$ 0.
School Choice Aid	17-495-034-5120-068	428,960.	07/01/16 -	06/30/17	0.	0.	0.	428,960.	(428,960.)	0.
Transportation Aid	17-495-034-5120-014	64,740.	07/01/16 -	06/30/17	0.	0.	0.	64,740.	(64,740.)	0.
Special Education Categorical Aid	17-495-034-5120-089	335,985.	07/01/16 -	06/30/17	0.	0.	0.	335,985.	(335,985.)	0.
Security Aid	17-495-034-5120-084	160,344.	07/01/16 -	06/30/17	0.	0.	0.	160,344.	(160,344.)	0.
Under Adequacy Aid	17-495-034-5120-096	3,746.	07/01/16 -	06/30/17	0.	0.	0.	3,746.	(3,746.)	0.
PARCC Readiness Aid	17-495-034-5120-098	5,780.	07/01/16 -	06/30/17	0.	0.	0.	5,780.	(5,780.)	0.
Per Pupil Growth Aid	17-495-034-5120-097	5,780.	07/01/16 -	06/30/17	0.	0.	0.	5,780.	(5,780.)	0.
Professional Learning Community Aid	17-495-034-5120-101	6,010.	07/01/16 -	06/30/17	0.	0.	0.	6,010.	(6,010.)	0.
Host District Support Aid	17-495-034-5120-102	2,394.	07/01/16 -	06/30/17	0.	0.	0.	2,394.	(2,394.)	0.
Extraordinary aid	17-495-034-5120-044	16,417.	07/01/16 -	06/30/17	0.	0.	0.	0.	(16,417.)	0.
Extraordinary aid	16-495-034-5120-044	16,460.	07/01/15 -	06/30/16	(16,460.)	0.	0.	16,460.	0.	0.
On Behalf TPAF Post Retirement Medical	17-495-034-5095-001	280,915.	07/01/16 -	06/30/17	0.	0.	0.	280,915.	(280,915.)	0.
On Behalf TPAF Long-Term Disability	17-495-034-5095-004	1,056.	07/01/16 -	06/30/17	0.	0.	0.	1,056.	(1,056.)	0.
On Behalf TPAF Pension	17-495-034-5095-002	337,141.	07/01/16 -	06/30/17	0.	0.	0.	337,141.	(337,141.)	0.
Reimbursed TPAF Social Security Contributions	17-495-034-5095-003	239,716.	07/01/16 -	06/30/17	0.	0.	0.	227,942.	(239,716.)	0.
Reimbursed TPAF Social Security Contributions	16-495-034-5095-003	224,025.	07/01/15 -	06/30/16	(11,052.)	0.	0.	11,052.	0.	0.
Additional Non-Public Trans	17-495-034-5120-014	2,262.	07/01/16 -	06/30/17	0.	0.	0.	0.	(2,262.)	0.
Additional Non-Public Trans	16-495-034-5120-014	2,722.	07/01/15 -	06/30/16	(2,722.)	0.	0.	0.	0.	0.
Total General Fund					(30,234.)	0.	0.	6,979,528.	(6,982,469.)	0.
Special Revenue Fund:										
Preschool Education Aid	17-495-034-5120-025	241,975.	07/01/16 -	06/30/17	0.	0.	147,164.	241,975.	(287,946.)	0.
Preschool Education Aid	16-495-034-5120-025	326,086.	07/01/15 -	06/30/16	147,164.	0.	(147,164.)	0.	0.	0.
Total Special Revenue Fund					147,164.	0.	0.	241,975.	(287,946.)	0.
Debt Service Fund:										
Debt Service Aid Type II	17-495-034-5120-125	115,205.	07/01/16 -	06/30/17	0.	0.	0.	115,205.	(115,205.)	0.
Total Debt Service Fund					0.	0.	0.	115,205.	(115,205.)	0.
State Department of Agriculture:										
Enterprise Fund:										
National School Lunch Program (State Share)	17-100-010-3350-023	2,778.	07/01/16 -	06/30/17	0.	0.	0.	2,593.	(2,778.)	0.
National School Lunch Program (State Share)	16-100-010-3350-023	3,045.	07/01/15 -	06/30/16	(532.)	0.	0.	532.	0.	0.
Total Enterprise Fund					(532.)	0.	0.	3,125.	(2,778.)	0.
Total State Financial Assistance					\$ 116,398.	\$ 0.	\$ 0.	\$ 7,339,833.	\$ (7,388,398.)	\$ 0.

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period		Balance at June 30, 2017			MEMO		
			From	To	(Accounts .Receivable)	Def. Rev./ Interfund Pay	Due to Grantor	Budgetary Receivable	Cumulative Total Expend.	
State Department of Education:										
General Fund:										
Equalization Aid	17-495-034-5120-078	\$ 5,091,223.	07/01/16 -	06/30/17	\$	0.	\$	0.	471,206.	\$ 5,091,223.
School Choice Aid	17-495-034-5120-068	428,960.	07/01/16 -	06/30/17	0.	0.	0.	0.	42,896.	428,960.
Transportation Aid	17-495-034-5120-014	64,740.	07/01/16 -	06/30/17	0.	0.	0.	0.	6,474.	64,740.
Special Education Categorical Aid	17-495-034-5120-089	335,985.	07/01/16 -	06/30/17	0.	0.	0.	0.	33,599.	335,985.
Security Aid	17-495-034-5120-084	160,344.	07/01/16 -	06/30/17	0.	0.	0.	0.	16,034.	160,344.
Under Adequacy Aid	17-495-034-5120-096	3,746.	07/01/16 -	06/30/17	0.	0.	0.	0.	375.	3,746.
PARCC Readiness Aid	17-495-034-5120-098	5,780.	07/01/16 -	06/30/17	0.	0.	0.	0.	578.	5,780.
Per Pupil Growth Aid	17-495-034-5120-097	5,780.	07/01/16 -	06/30/17	0.	0.	0.	0.	578.	5,780.
Professional Learning Community Aid	17-495-034-5120-101	6,010.	07/01/16 -	06/30/17	0.	0.	0.	0.	601.	6,010.
Host District Support Aid	17-495-034-5120-102	2,394.	07/01/16 -	06/30/17	0.	0.	0.	0.	239.	2,394.
Extraordinary aid	17-495-034-5120-044	16,417.	07/01/16 -	06/30/17	(16,417.)	0.	0.	0.	0.	16,417.
Extraordinary aid	16-495-034-5120-044	16,460.	07/01/15 -	06/30/16	0.	0.	0.	0.	0.	0.
On Behalf TPAF Post Retirement Medical	17-495-034-5095-001	280,915.	07/01/16 -	06/30/17	0.	0.	0.	0.	0.	280,915.
On Behalf TPAF Long-Term Disability	17-495-034-5095-004	1,056.	07/01/16 -	06/30/17	0.	0.	0.	0.	0.	1,056.
On Behalf TPAF Pension	17-495-034-5095-002	337,141.	07/01/16 -	06/30/17	0.	0.	0.	0.	0.	337,141.
Reimbursed TPAF Social Security Contributions	17-495-034-5095-003	239,716.	07/01/16 -	06/30/17	(11,774.)	0.	0.	0.	0.	239,716.
Reimbursed TPAF Social Security Contributions	16-495-034-5095-003	224,025.	07/01/15 -	06/30/16	0.	0.	0.	0.	0.	0.
Additional Non-Public Trans	17-495-034-5120-014	2,262.	07/01/16 -	06/30/17	(2,262.)	0.	0.	0.	0.	2,262.
Additional Non-Public Trans	16-495-034-5120-014	2,722.	07/01/15 -	06/30/16	(2,722.)	0.	0.	0.	0.	0.
Total General Fund					(33,175.)	0.	0.	0.	572,580.	6,982,469.
Special Revenue Fund:										
Preschool Education Aid	17-495-034-5120-025	241,975.	07/01/16 -	06/30/17	0.	101,193.	0.	0.	24,198.	287,946.
Preschool Education Aid	16-495-034-5120-025	326,086.	07/01/15 -	06/30/16	0.	0.	0.	0.	0.	0.
Total Special Revenue Fund					0.	101,193.	0.	0.	24,198.	287,946.
Debt Service Fund:										
Debt Service Aid Type II	17-495-034-5120-125	115,205.	07/01/16 -	06/30/17	0.	0.	0.	0.	0.	115,205.
Total Debt Service Fund					0.	0.	0.	0.	0.	115,205.
State Department of Agriculture:										
Enterprise Fund:										
National School Lunch Program (State Share)	16-100-010-3350-023	3,045.	07/01/15 -	06/30/16	(185.)	0.	0.	0.	0.	2,778.
National School Lunch Program (State Share)	15-100-010-3350-023	3,347.	07/01/14 -	06/30/15	0.	0.	0.	0.	0.	0.
Total Enterprise Fund					(185.)	0.	0.	0.	0.	2,778.
Total State Financial Assistance					\$ (33,360.)	\$ 101,193.	\$	0.	\$ 596,778.	\$ 7,388,398.

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2017

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Lawrence Township School District. The Board of Education is defined in Note 1 to the Board’s basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board’s basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenues 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 payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-4.2. For GAAP purposes, that payments are recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognized encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with N.J.S.A., 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(15,331) for the general fund and \$(3,887) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0.	\$ 6,997,800.	\$ 6,997,800.
Special Revenue Fund	454,900.	296,657.	751,557.
Debt Service Fund	0.	115,205.	115,205.
Food Service Fund	193,954.	2,778.	196,732.
Total Financial Assistance	<u>\$ 648,854.</u>	<u>\$ 7,412,440.</u>	<u>\$ 8,061,294.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2017

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2017. 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, 2017.

NOTE 6. SUBRECIPIENTS

The District had no expenditures to subrecipients during the year ended June 30, 2017.

NOTE 7. INDIRECT COSTS

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? Yes No
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to general purpose financial statements noted? Yes No

Federal Awards

Not Applicable

State Awards

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

Auditee qualified as low risk auditee? Yes No

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

Internal Control over major programs:

- 1. Material weakness(es) identified? Yes No
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? Yes No

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-068	School Choice Aid
495-034-5120-084	Security Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-014	Transportation Aid
495-034-5120-101	Professional Learning Community Aid
495-034-5120-102	Host District Support Aid
495-034-5094-003	Reimbursed TPAF Social Security Contribution

Section II – Financial Statement Findings

None Reported

***Section III – Federal Awards and State Financial Assistance
Findings and Questioned Costs***

Federal Awards

N/A

State Awards

None Reported

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
STATUS OF PRIOR YEAR FINDINGS

N/A – No Prior Year Findings