

SCHOOL DISTRICT
OF
LAWRENCE TOWNSHIP



LAWRENCE TOWNSHIP BOARD OF EDUCATION
LAWRENCE TOWNSHIP, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

LAWRENCE TOWNSHIP BOARD OF EDUCATION

LAWRENCE TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2017



**LAWRENCE
TOWNSHIP
PUBLIC SCHOOLS**

PREPARED BY

**LAWRENCE TOWNSHIP BOARD OF EDUCATION
FINANCE DEPARTMENT**

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

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INTRODUCTORY SECTION

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LAWRENCE TOWNSHIP PUBLIC SCHOOLS

Business Office

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

Tom Eldridge
*Business Administrator
Board Secretary*

1.

November 20, 2017

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Lawrence Township School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the general purpose financial statements and schedules, The Management Discussion and Analysis Letter, as well as the auditor's report. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

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

Respectfully submitted,


Thomas Eldridge

Business Administrator/Board Secretary

ROSTER OF OFFICIALS				
2017				
Members:	Position	Date Elected	Term Begins	Term Ends
Michele Bowes	Member	November 8, 2016	January 2017	January 2018
Dana Drake	Member	November 4, 2014	January 2015	January 2018
Max Ramos	Member	November 4, 2014	January 2015	January 2018
Jo Ann Groeger	Member	November 3, 2015	January 2016	January 2019
Joyce Scott	Member	November 3, 2015	January 2016	January 2019
Kevin Van Hise	President	November 3, 2015	January 2016	January 2019
Pepper Evans	Vice President	November 8, 2016	January 2017	January 2020
Michelle King	Member	November 8, 2016	January 2017	January 2020
Jon Dauber	Member	November 8, 2016	January 2017	January 2020
Professionals:	Position	Appointed	Term Begins	Term Ends
Crystal Edwards	Superintendent	May 15, 2015	July 1, 2015	June 30, 2020
Thomas Eldridge	Board Secretary/ SBA	May 10, 2017	July 1, 2017	June 30, 2018
Appointments:	Position	Appointed	Term Begins	Term Ends
Peter Kiriakatis	Treasurer	March 16, 2017	May 1, 2017	June 30, 2018
Robert Hulsart and Co.	Auditor	May 24, 2017	July 1, 2017	June 30, 2018
Comegno Law	Attorney	May 24, 2017	July 1, 2017	June 30, 2018
Parker McCay	Attorney	May 24, 2017	July 1, 2017	June 30, 2018
Date of election	November 8, 2016			
Candidates (3 year term):	Votes:			
Pepper Evans	5,733			
Michelle King	5,149			
Jon Dauber	5,297			
Michael J. Wilson	2,236			
Glenn Collins	2,643			
Colette M. Dickinson	2,283			
Candidate (1 year term):				
Michele Bowes	7,369			

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

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

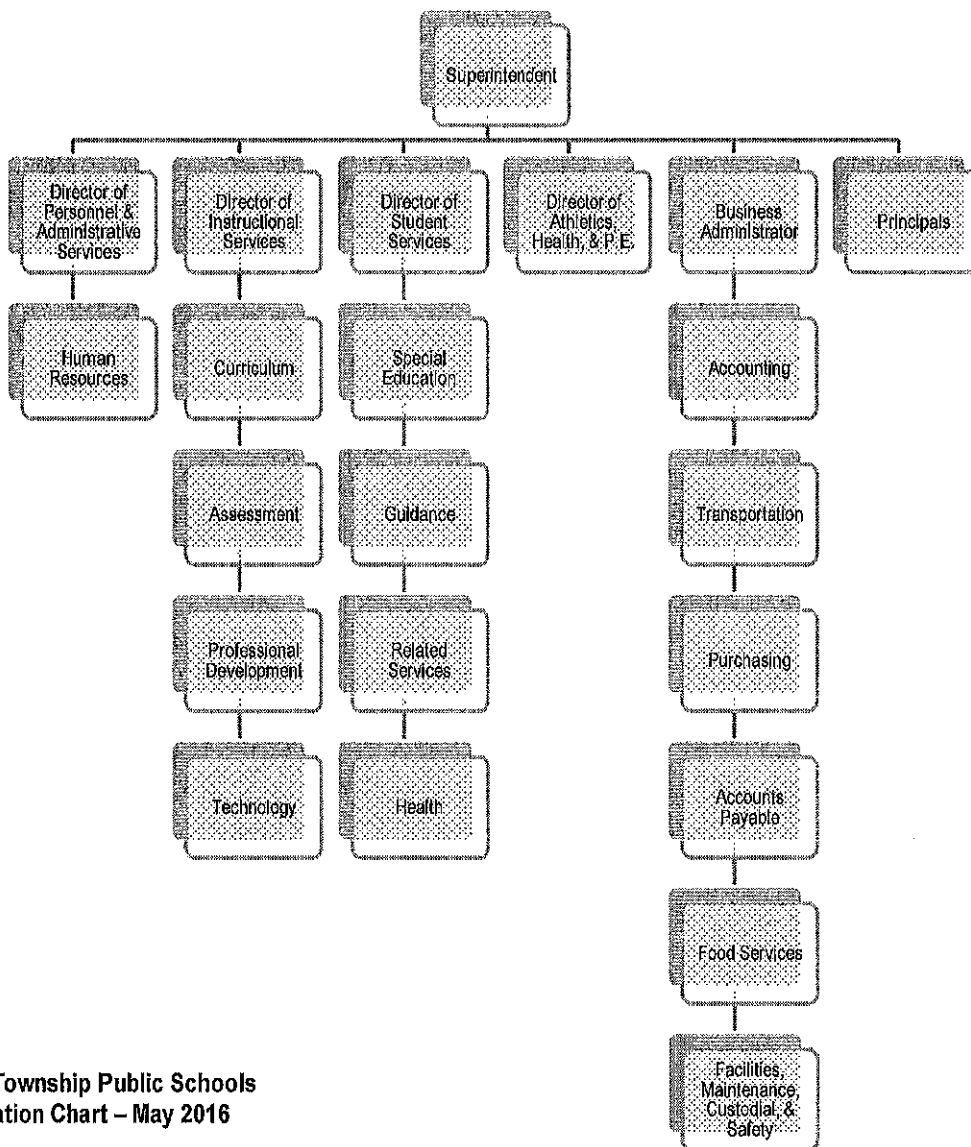
Parker McCay
3840 Quakerbridge Road
Suite 200
Hamilton, New Jersey 08619

Official Depositories

TD Bank

Berkshire Bank

ORGANIZATIONAL CHART



Lawrence Township Public Schools
Organization Chart – May 2016

5/11/16



FINANCIAL SECTION

Robert A. Hulsart and Company

5.

CERTIFIED PUBLIC ACCOUNTANTS

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

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2017 on our consideration of the Lawrence Township's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lawrence Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

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

November 20, 2017

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

LAWRENCE TOWNSHIP PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

MD & A Format and Purpose:

The Management's Discussion and Analysis Report of Lawrence Township Public School District's financial performance provides a review of the school district's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to review and explain the school district's financial performance for the major fund categories. The MD&A should be read in conjunction with the Comprehensive Annual Financial Report (the audit/CAFR). For information about the deployment of resources relative to the instructional program, the reader is referred to the district's Official Budget and related information available in the Board Secretary's office located at the Administration Building, 2565 Princeton Pike, Lawrenceville, NJ 08648, or at the district's website at www.ltps.org.

Governmental Funds

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

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

Enterprise Funds

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. Enterprise funds, however, are subject to greater volatility due to uncertain revenue streams. Enterprise funds at their most basic are funds that are operated on a fee for service basis. Examples of these funds are the Cafeteria Fund and the Building Use Fund.

Schedules Contained in the Comprehensive Annual Financial Report

The Financial Statements presented in this Comprehensive Annual Financial Report are end of year, closing statements, and are distinguished from the monthly Board Secretary's and Treasurer's Reports. The most significant distinctions are that the Board Secretary's/Treasurer's Reports are: "interim" reports, used for ongoing monitoring and internal controls, and more closely align to cash accounting than do the final reports presented in this report. Another significant and material difference between the interim reports on file in the Board Secretary's Office and this report is that the schedules found in this report of have materially modified to reflect accruals of a non-cash basis such as: payments made by the State of New Jersey to the Teacher's Pension and Annuity fund and payments made by the State of New Jersey to the Federal Government for social security. Both of these payments are not made by the school district but must be shown in the audit schedules as expenditures.

Statement A-1 Statement of Net Position (A consolidated balance sheet statement, See Notes 1, 3 & 4)

The Statement of Net Position is the consolidated balance sheet of the board of education. The "Net" description refers to the collapsing of all Governmental Fund Groups (General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund), along with Enterprise Funds (Cafeteria Fund, Driver's Education Fund) into one consolidated total statement. The statement is divided into two "activities": Governmental Activities and Business Activities. Within each activity current and long term assets are listed and followed by a listing of short and long term liabilities. The difference between the assets and liabilities is the "Net Position."

The Net Position is influenced by short term and long term assets and liabilities. The most notable item on this exhibit is the long term liabilities item entitled "Due beyond One Year." This section includes total debt associated with bonds, sick leave payment, and pensions. It is very important to note that this statement contains transactions that occur at the state level and are not represented on district Board Secretary's Reports and may not be the actual liability to the school district. For example, the district is not responsible for long term teacher pension costs however listed under the section "Non-current Liabilities."

The total change in Net Position was a decrease from \$83,193,885 in the pre-audit year to \$77,705,231 in the audit year. The change is attributable to long term pension costs. In each case the figure indicates that assets exceed liabilities.

Statement A-2 Statement of Activities (A consolidated statement, See Notes 1, 3 & 4)

The Statement of Activities is the consolidated activities report (Similar to an income statement) of the board of education. The "Net" description refers to the collapsing of all Governmental Fund Groups (General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund), along with Enterprise Funds (Cafeteria Fund, Driver's Education Fund) into one consolidated total statement. The first section is a list of all expenditures followed by the second section listing all Revenues. The intent of the exhibit is to match expenses to revenues by program; however, this is not possible due to the fact that the majority of revenue collected by the district is not restricted to a certain program. The change in "Net Position" is the difference between the expenditures and revenues combined with changes in the district's net assets. This schedule is similar to an income statement.

The Net Position is influenced by changes in total actual revenues and total actual expenditures. The purpose of this statement is to identify the net result of the audit year's expenditures and revenues, combine the result with changes in fixed assets, and then add this to the beginning net position to arrive at a new "Net Position."

The total change in Net Position was a decrease from \$83,193,885 in the pre-audit year to \$77,705,231 in the audit year. This schedule does not recognize fund balance discussed later in the MD&A.

Statement B-1 Balance Sheet (A consolidated statement, See Notes 1, 3, 4, & 11)

The Balance Sheet in "Exhibit B-1" provides a listing of all assets and liabilities within the "Governmental Fund" types separated by fund type. The first section of the exhibit lists current assets by fund. The second section lists current liabilities by fund. The difference between current assets and current liabilities is Fund Balance. Fund balance is analogous to "retained earnings." In most cases a material portion of fund balance is "restricted" and assigned for use in the following year. For a listing of restrictions please refer to Note 11.

This end of this statement addresses Long Term Assets and Liabilities and adds these to the current assets and liabilities in the top section to arrive at the Net Position.

There were no significant changes or reasons for notes in the balance sheet for the audit year.

Statement B-2 Statement of Revenues, Expenditures and Changes in Fund Balances (A consolidated statement, See Notes 1, 3, 4, & 11)

The Statement of Revenues, Expenditures and Changes in Fund Balances in "Exhibit B-2" is similar to an income statement. The first section is a list of all revenue by source, by fund followed by the second section listing all expenditures by category by fund. The change in "Net Position" is the difference between the expenditures and revenues. The difference between revenues and expenditures is Fund Balance. Fund balance is analogous to "retained earnings." In most cases a material portion of fund balance is "restricted" and assigned for use in the following year. For a listing of restrictions please refer to Note 11.

Please note that the GAAP fund balance on this statement is a positive \$8,869,622. There were no material items to be discussed in notes. The district's "retained earnings" or fund balance is positive and is projected to remain positive.

Statements B-3 through B-7

Whereas Statements B-1 and B-2 (concerning governmental funds) were the detailed (unconsolidated) versions of A-1 and A-2, B-3 through B-7 are the detailed (unconsolidated) versions of A-1 and A-2 regarding Proprietary (business) funds. Schedules B-2 through B-7 include enterprise funds (example: Food Service) and trust/agency funds (example: payroll withholdings and unemployment reserve).

Statements C-1 and C-2 Budgetary Comparison Schedule-General Fund(C-1), Special Revenue Fund (C-2)

The most financially informative schedules in the CAFR are the Budgetary Comparison Schedules Exhibit C-1 and C-2. These schedules are aligned in form and presentation with the district's official budget and the district's official interim (monthly) financial reports (Board Secretary's Report). The exhibits illustrate the changes and ending balances in the General Fund and Special Revenue Fund respectively.

The C exhibits list expenditure by program and function type. For example, unlike Exhibits A and B, Exhibit C reports expenditure by the separate educational purposes, such as Regular Education, Special Education, Administration, Athletics, and Maintenance. By reporting expenditures according to program or function, the reason for the expenditure is made clearer. Similarly, revenues are attributed to their source so that the reader may understand the various funding sources and the proportion of funding received from each source.

Another purpose of Exhibits C-1 & C-2 is to provide the reader with comparative numbers concerning budgeted appropriations and expenditures and actual appropriations and expenditures. Similarly the exhibits also show comparative budgeted and actual revenue figures. The significance of favorable expenditure and revenue performance results in additional fund balance. Unfavorable expenditure and revenue figures result in diminished fund balance.

Finally, the reader should refer to "Note 11" when analyzing the last section of the "C" schedules concerning Fund Balance.

Condensed Financial information derived from district-wide financial Statements

The most significant District-Wide, and perpetual, financial statements prepared by the school district are the Board Secretary's Reports. These reports are developed in a State of New Jersey prescribed format and presented to the Board of Education on a monthly basis for their approval. Four Board Secretary's Reports are approved each month, one for each of the following funds (or Budgets): General Operating Fund, Special Revenue Fund, Capital Projects Fund, and Repayment of Debt Fund. Each Board Secretary's Report for each of the above funds contains the following sections: Balance Sheet, Revenue Schedule, and Appropriations Schedule. The reports are designed to provide operating information and do not include long term asset values such as property and equipment nor do the reports contain long term liabilities beyond the current year for items such as bonded debt or pension costs; all of these items are included in the audit.

The prescribed Board Secretary's Reports are also more informative than the formal audit to the average reader. The formal audit contains adjustments that are required to be made by the state of New Jersey. These can overstate or understate revenue and overstate or understate liabilities giving a less than adequate level of information needed to confidently assess the school district's performance and overall financial position.

The Board Secretary's Report is simply a collection of audited expenditures and revenues that either add to or diminish fund balance (surplus). If the district realizes more revenue than expected it add to surplus, less revenue, it diminishes surplus. Conversely if the district over-expends it decreases surplus and if it underspends, it add to surplus. Surplus, also known as fund balance, is equal to retained earnings in traditional accounting. One measure of financial performance is to focus on retained earnings and subsequent distributions of those earnings. A school district strives to achieve its educational goals while maintaining positive retained earnings. "Excess" retained earnings (surplus) is used by the district to offset the amount requested in the following year's revenue budget. In other words if we have excess tax collections in the current year because of excess revenue or under-expended appropriations, we use the surplus amount as revenue in the following year and decrease the amount of taxes the district would have otherwise requested.

The following schedules were derived from the Board Secretary's Reports and represent the major trends from the audited year. These reports have been reconciled to the independently prepared audit.

CONDENSED EXPENDITURES:

SUMMARY BY PROGRAM	ACTUAL	ACTUAL	ACTUAL	Change	Change
EXPENDITURE BY PROGRAM PURCHASED	14/15	15/16	16/17	\$	%
Regular Instruction	21,182,537	22,414,404	22,913,686	499,283	2%
Regular Support Services	2,804,081	2,835,702	2,837,705	2,003	0%
Special Education	5,464,216	6,044,097	6,161,261	117,164	2%
Tuition Out of District (Sp.Ed.)	2,574,213	2,594,912	3,087,423	492,511	19%
Special Ed. Support Services	3,412,978	3,528,527	3,602,603	74,076	2%
Attendance/Nurse/Library	1,890,590	1,965,163	2,025,064	59,901	3%
Administration	4,086,416	4,176,739	4,414,982	238,242	6%
Security	436,625	496,835	510,161	13,326	3%
Maintenance/Custodial/Utilities	6,698,383	6,772,768	6,791,124	18,356	0%
Employee Benefits	10,091,548	10,649,908	10,483,501	(166,407)	-2%
Transportation/Busing	3,220,869	3,124,801	3,364,525	239,724	8%
Capital Outlay	4,103,658	1,065,605	5,505,661	4,440,056	417%
Total	\$ 65,966,114	\$ 65,669,461	\$ 71,697,695	\$ 6,028,234	9%

Reconciliation to GAAP Schedule C	
Balance from Board Secretary's Report	\$ 71,697,695
On Behalf of Proof to Schedule C	
TPAF Pension	5,609,242
TPAF Social Security	2,164,763
Other Financing Sources Schedule C	
Transfers to Preschool	(495,197)
Transfers to Capital Projects	(839,171)
Transfers to Debt Service	(458,000)
Balance from Audit Schedule C	\$ 77,679,332

NOTE: The below is for informational purposes for readers who may wish to know about alternative cost drivers. The total agree with the total above presented in the GAAP Program format.

OBJECT PURCHASED	ACTUAL 14/15	ACTUAL 15/16	ACTUAL 16/17	DOLLAR CHANGE	PERCENT CHANGE
Salaries & Benefits	49,294,424	52,153,765	52,428,814	275,049	1%
Out of District Tuition	2,574,213	2,594,912	3,087,423	492,511	19%
Transportation	2,741,533	2,622,905	2,807,249	184,344	7%
Energy	952,629	756,414	841,343	84,929	11%
Supplies	2,559,522	2,480,666	2,660,735	180,069	7%
Capital Outlay	4,103,658	1,065,605	5,505,661	4,440,056	417%
Services	3,740,135	3,995,195	4,366,470	371,276	9%
Total	\$ 65,966,114	\$ 65,669,461	\$ 71,697,695	\$ 6,028,234	9%

NOTE: The reader may reconcile the district records (Expenditure table above) to the audit by using the above table.

Regular Instruction, primarily driven by salaries, increased by 2% and had the largest dollar increase at \$499,283 of any of the condensed budget categories. The increase is attributable to direct compensation governed by the collective bargaining agreement, early retirement of a lease payments for student computers, and the purchase of new textbooks.

Special Education and Out of District Tuition (Also a form of Special Education) had increases of \$117,164 and \$492,511 respectively. These costs are driven by student placement. The district is currently experiencing an increase in the cost of out of district placements.

Increases in **Administration** also include increases in district-wide technology and to some extent capital projects. The cost drivers that increased administrative expenditures included purchasing new student management software and network software and hardware for costs in excess of \$100,000, legal fees associated with contract negotiations and professional architectural fees, both of which together amount to \$85,000.

Transportation costs increased due to the need to run additional special education and regular education bus routes. The district also added staff in the form of bus assistants to accommodate special education needs. These expenditures are expected to remain level in the near future.

Benefit expenditures decreased due to fewer sick leave payouts. Accumulated sick time paid out to employees upon retirement is charged to the benefits category.

The district's **Capital Outlay** expenditures and transfer to capital reserve documented activities associated with the installation of two new synthetic athletic turf fields and transfers to the Capital Projects Fund to complete air conditioning installations. These expenditures are not expected to be recurring.

For the reader's consumption, the total General Fund expenditures for the school year are presented above in "Program" format. To reconcile these figures to the "audited figures" in the "C" Schedule, the reader must use the tables below the schedule.

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

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

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

The Reconciliation to "Exhibit C" found within the audit, specifically state aid, contains "On Behalf of" items. The unconventional entry required by the State of New Jersey requires clarification for the reader. The amounts in question were never expended and in some cases never received in cash by the Board of Education. The state requires the district to show these entries on the district's audit. **For purpose of the MD&A we have reconciled these items for the reader to that the district's financial reports and the audit reports agree. The most significant distinction between the audit report presentation and the district's financial reports is that the district's reports represent actual cash movements whereas the audit has required "accounting entries" that may not represent actual cash receipts or expenditures.**

CONDENSED REVENUES:

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

Revenue as presented in Board Secretary's Reports	ACTUAL 14/15	ACTUAL 15/16	ACTUAL 16/17	DOLLAR CHANGE	PERCENT CHANGE
MISCELLANEOUS:					
Misc. Tuition (200) 10-1300	186,659	229,125	18,378	(210,747)	-92%
Misc. Revenue	331,528	274,058	450,910	176,852	65%
Interest Earnings (253)	5,677	28,056	40,264	12,208	44%
MISCELLANEOUS (Tuition, interest, other)	523,864	531,239	509,552	(21,687)	-4%
STATE AID:					
Categorical Special Education Aid	2,353,591	2,353,591	2,323,116	(30,475)	-1%
Categorical Security Aid	417,886	417,886	421,512	3,626	1%
Categorical Transportation Aid	612,017	612,017	653,820	41,803	7%
PARCC Readiness	40,410	40,410	40,410	-	0%
Pupil Growth Aid	40,410	40,410	40,410	-	0%
Professional Learning Community Aid	-	-	39,090	39,090	0%
Extraordinary Aid	259,825	305,897	404,749	98,852	32%
Nonpublic Transportation Aid	45,293	66,412	52,777	(13,635)	-21%
STATE AID	3,769,432	3,836,623	3,975,884	139,261	4%
FEDERAL/STATE OTHER (Medicaid)	114,053	71,819	65,053	(6,766)	-9%
TAX LEVY	60,685,996	62,210,439	63,454,008	1,243,569	2%
TOTAL REVENUE	\$ 65,093,345	\$ 66,650,120	\$ 68,004,497	\$ 1,354,377	2%

Reconciliation to CAFR Schedule C	
Balance from Board Secretary's Report	\$ 68,004,497
On Behalf of Proof to Schedule C	
TPAF Pension	5,609,242
TPAF Social Security	2,164,763
	-
Balance from Audit Schedule C	\$ 75,778,502

The revenue trend above illustrates that our public schools are becoming increasingly dependent on local funding; specifically property taxes. Notable items in the schedule are:

- Overall, General Fund revenue increased by \$1,354,377. The most significant portion of the increase was attributable to local tax levy.
- State aid increased slightly by \$139,261. Aid distribution within aid categories changed in minor amounts.
- Note that State Aid is received in various forms and that some forms are “budgeted” and others are not. State Aid within the General Fund is generated based on a “needs based” formula, however the use of the revenue is not restricted to be used for said “needs.”
 - In all cases the district spends more on the identified “needs” than the state aid provides.
 - Some state aid, such as Extraordinary Aid and Supplemental Transportation Aid are not announced or provided by the State of New Jersey until the last month of the audited year, and in some cases, we are not informed of the aid until the following year. We have strategically chosen not to budget these forms of aid due to their unpredictability. We allow them to lapse into Fund Balance.
 - A new form of aid was received, “Professional Learning Communities”. This aid is meant to assist in developing staff skills.
- Tax levy increased by approximately 2%.

The Reconciliation to "Exhibit C" found within the audit, specifically state aid, contains "On Behalf of" items. The unconventional entry required by the State of New Jersey requires clarification for the reader. The amounts in question were never expended and in some cases never received in cash by the Board of Education. The state requires the district to show these entries on the district's audit. **For purpose of the MD&A we have reconciled these items for the reader to that the district's financial reports and the audit reports agree. The most significant distinction between the audit report presentation and the district's financial reports is that the district's reports represent actual cash movements whereas the audit has required "accounting entries" that may not represent actual cash receipts or expenditures.**

CONDENSED FUND BALANCE:

The variances in the Revenues and Expenditures sections of the CAFR are combined at year end closing into the district's fund balance (surplus) to determine the new level of fund balance. The district strives to maintain a surplus that protects cash flow, maintains tax rate stability, and provides adequate funds in the case of emergencies.

Surplus Fund balance) is used to protect cash flow in times when revenue collections are untimely. Untimely revenue collections can occur due to late tax payments or late state aid payments. In times of late revenue payments to the district, the district uses its surplus on a temporary basis to pay obligations until it receives its current revenue.

The district's 2016/2017 undesignated surplus listed amounts to less than one of the district's 24 payroll obligations. For example, a typical payroll in the audit year amounted to \$1,909,000. During the 2016/2017 school year the board carried an operating surplus of \$1,114,438.. Unlike the prior year, no part of surplus was deemed to be "Excess Surplus" by the State of New Jersey. At the conclusion of the school year the district's Undesignated/Unreserved Surplus was \$1,694,899. The amount of surplus considered to be "Excess Surplus" was \$0.

Fund Balance as presented in Board Secretary's Reports		
Beginning 770 (Board Secretary's Report)	4,465,005	
Less 303 Budgeted Fund Balance (Board Secretary's Report)	(3,350,567)	
		1,114,438
Add excess revenue from Bd. Sec. Report (= 301-302)	767,966	
Add unspent appropriations from Bd. Sec. Report (= 601-603-603)	2,049,495	
		2,817,461
Ending Fund Balance		\$ 3,931,899
Reconciliation to Audit:		
Less Amount of Ending Fund Balance to be used in next year's Budget as Revenue		(2,237,000)
Audit: Total Unassigned Fund Balance: Note 11		\$ 1,694,899
Note: Compare this reconciliation to the June 30 Board Secretary's Report.		

Financial Position

The Lawrence Township Board of Education separates its comprehensive budget into fund groupings. Major fund groupings are separated into discrete fund types. Each fund has its own budget and separate balance sheet. **This analysis focuses on the district's General Fund also known as the Operating Budget.** The other funds within the total budget are the Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Each of these funds, the Student Activities Fund, the Food Service Fund, Payroll Account, and the Payroll Agency Account are audited.

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

The school district exceeded its budgeted revenue by \$767,966 as indicated in the schedules herein. Total Appropriations less expenditures and encumbrances were \$2,049,495 representing an increase in fund balance of \$2,817,461. Of this amount \$2,237,000 was budget for use in the following year's budget.

Major Fund Variances	Budgeted	Actual	Difference
Budgeted v. Actual Revenues	67,236,531	68,004,497	767,966
Budgeted v. Actual Expenditures and Encumbrances	75,008,968	72,959,473	2,049,495
			\$ 2,817,461
Source: Board Secretary's Reports (Fund 10)			

Variances (differences between Budget and Actual) for individual program expenditures, as well as revenues, are shown in the audit, Exhibit C-1. Exhibit C-2 will inform the reader of variances in the Special Revenue Fund.

There were no significant or noteworthy variances requiring explanation. The variances listed in the C schedules were within school district projections and estimates. The district carefully controls and monitors variances, in total, as a strategy of controlling fund balance. The district did not over-expend any major or minor account for the audit year.

The Economic Climate:

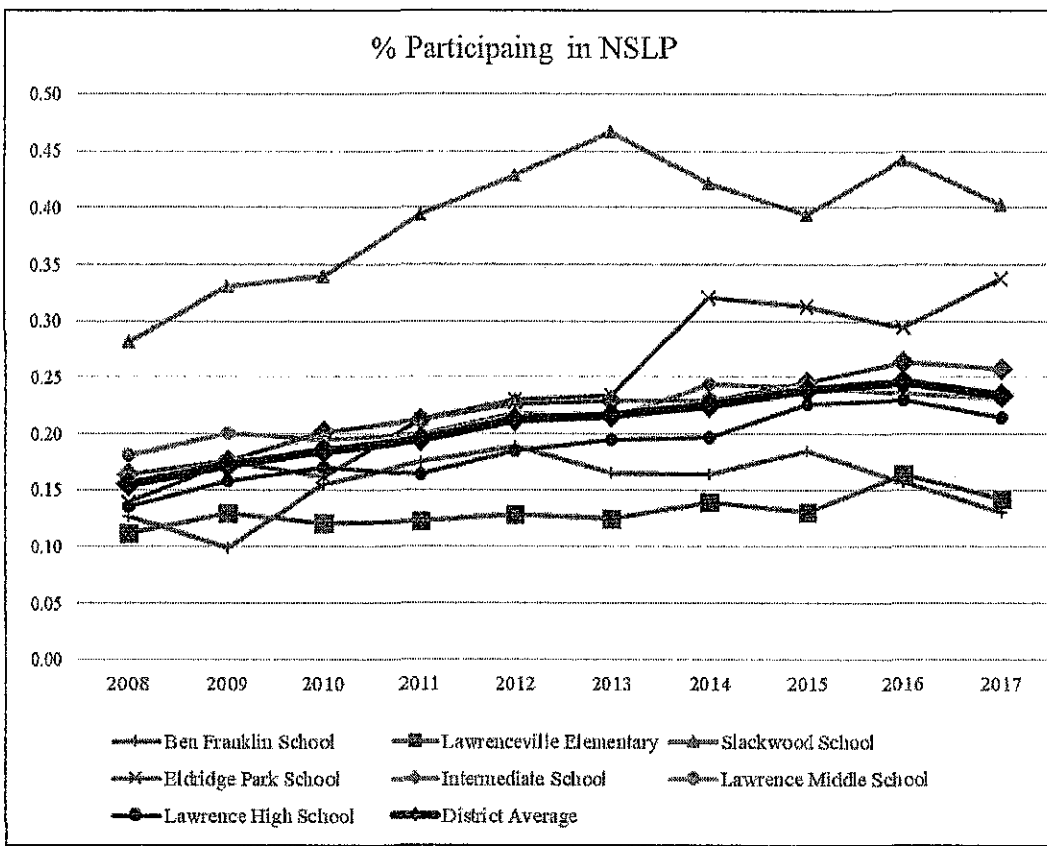
The economic climate of the nation, state, county, municipality and private industry influences the operations of the Lawrence Township Public Schools and the students the district serves. Below are listed some of the key influences encountered during the school year. These issues are anticipated to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

Free and Reduced Priced Lunches-Participation in the National Schools Lunch Program is typically considered an indicator of affluence within a school district. The higher the participation, the less affluent the population. From June 30, 2008 through June 30, 2017, students eligible to receive free or reduced priced lunches under the National Schools Lunch Program increased from 15% of the student population to 23% of the student population. There was a 2% decrease between this audit year and the prior audit year. The increase represents a trend of year over year of increasing participation in the National School Lunch Program (NSLP) and not a one-time event.

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

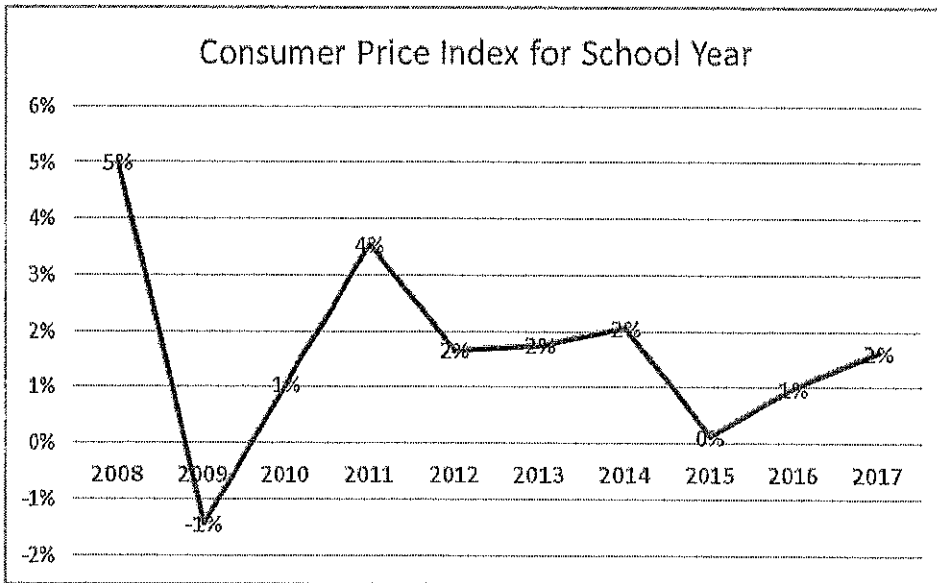
SCHOOLS:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Ben Franklin School	0.13	0.10	0.15	0.17	0.19	0.17	0.16	0.18	0.16	0.13
Lawrenceville Elementary	0.11	0.13	0.12	0.12	0.13	0.12	0.14	0.13	0.16	0.14
Slackwood School	0.28	0.33	0.34	0.39	0.43	0.47	0.42	0.39	0.44	0.40
Eldridge Park School	0.14	0.18	0.16	0.21	0.23	0.23	0.32	0.31	0.29	0.34
Intermediate School	0.16	0.18	0.20	0.21	0.23	0.23	0.23	0.25	0.26	0.26
Lawrence Middle School	0.18	0.20	0.19	0.20	0.22	0.21	0.24	0.24	0.24	0.23
Lawrence High School	0.14	0.16	0.17	0.16	0.18	0.19	0.20	0.23	0.23	0.21
District Average	0.15	0.17	0.18	0.19	0.21	0.22	0.23	0.24	0.25	0.23

Source: National School Lunch Program Reimbursement Forms



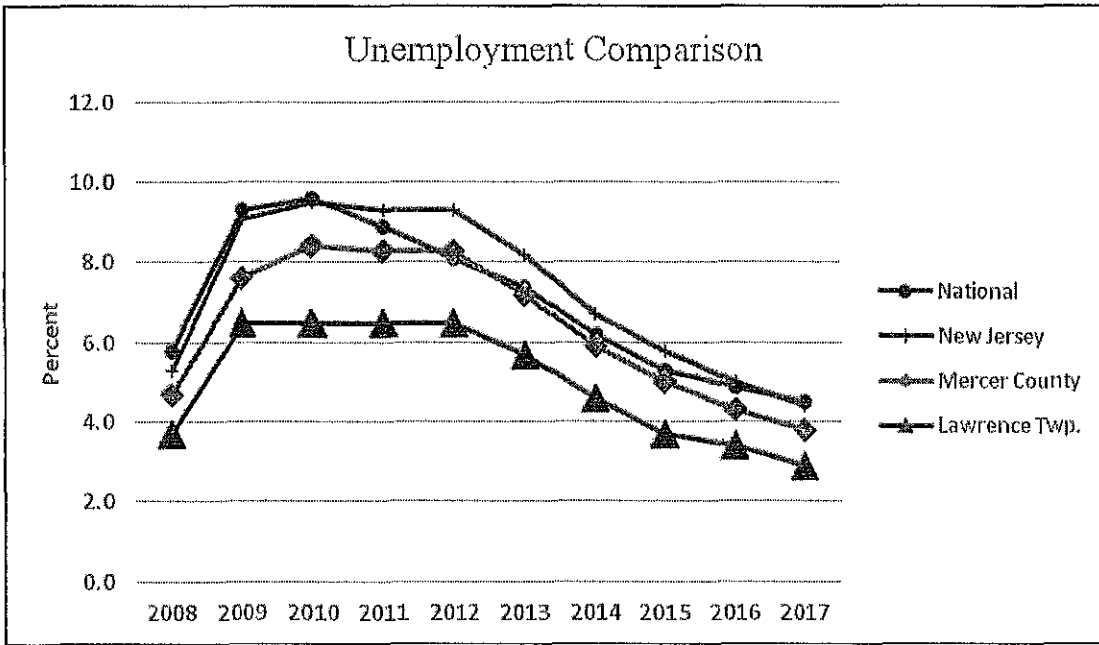
Consumer Price Index-The Consumer Price Index is a measure of the costs of goods and services. The purpose of the index is to document overall changes in prices for a period of time. A general measure is the annual average change between years ending June 30, 2016 and June 30, 2017. The increase between audit and filing year was 2%. The growth in the CPI rapidly increased between the audit year and pre-audit year. The CPI was equal to the New Jersey property tax cap of 2%. <http://www.bls.gov/cpi/tables.htm>.

The below chart illustrates percentage changes between years.



Unemployment Rate-Unemployment rate is a key indicator of the health of the economy.

- For the fiscal year ending June 20, 2017, the unemployment rates for county, township, state, and federal measurements all decreased. The unemployment rate in Lawrence Township reached its lowest point in ten years as of June 30, 2017.
- In addition the official rate expressed above, otherwise known as “U3”, “U6” the broader measure of unemployment has also declined and is now at pre-economic crisis levels. The record high unemployment rate occurred in December 1976, 10.7%. The record low rate occurred in July 2000, 3.6%. Source: U.S. Department of Labor: Bureau of Labor Statistics <http://www.bls.gov/web/laus/laumstrk.htm>. Note: This data is on a calendar year basis. The calendar year illustrated depicts the first half of the audit year.



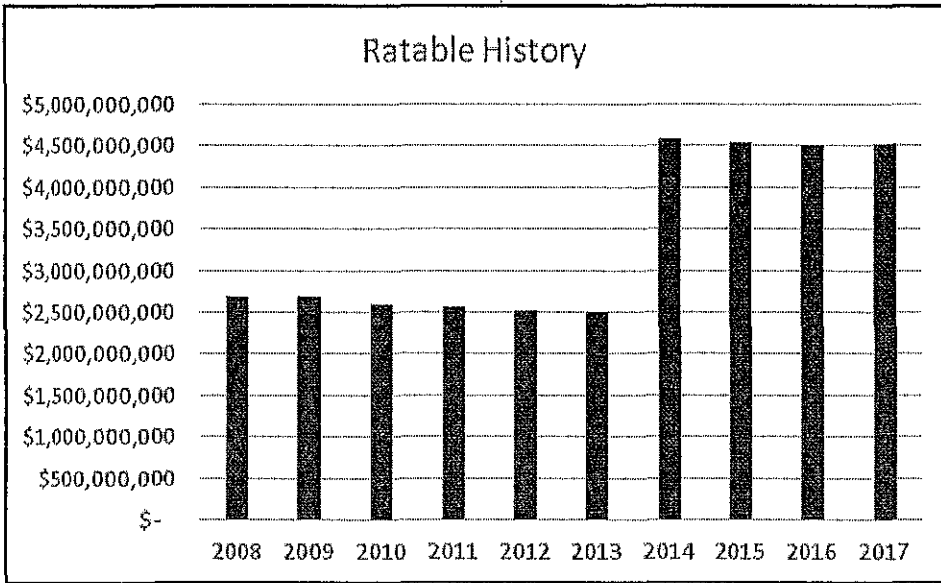
The following table contains annual average unemployment rates. The audit year is a six month average rate.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
National	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.5
New Jersey	5.3	9.1	9.5	9.3	9.3	8.2	6.7	5.8	5.0	4.4
Mercer County	4.7	7.6	8.4	8.3	8.3	7.2	5.9	5.0	4.3	3.8
Lawrence Twp.	3.7	6.5	6.5	6.5	6.5	5.7	4.6	3.7	3.4	2.9

It is notable that the unemployment rate for Lawrence Township is consistently below county, federal, and state levels.

Ratable Base-The ratable base represents the total value of taxable property in the municipality.

- Tax rate is the result of the total taxes levied divided by the ratable figure then multiplied by 100. The rate is traditionally expressed as the rate per \$100 of assessed value.
- From calendar year 2016 through calendar year 2017, the total value of taxable property in the municipality increased by approximately \$7,000,000, or 2/10 of 1%. In 2014 a 100% revaluation of property was conducted and a new ratable value was developed. The new ratable value for 2014 was \$4,584,134,874. The total value of the ratable base in 2017 is \$4,525,648,829, a decrease of (\$58,486,045).
- Changes in the ratable base require that the district provide comparative information in a form that allows the reader to understand the demand for taxes from the school district. A more neutral and consistent method of expressing the tax impact of the school district is to show total changes in percentage of taxes required to fund the district.
- For the year ending June 30, 2017, the school taxes collected were 2% higher than the previous year.



Fiscal Year	Net Assessed
Ended June 30,	Value of Taxable Property
2008	\$ 2,691,265,288
2009	\$ 2,688,130,426
2010	\$ 2,603,782,710
2011	\$ 2,566,192,608
2012	\$ 2,527,842,792
2013	\$ 2,500,748,969
2014	\$ 4,584,134,874
2015	\$ 4,535,517,584
2016	\$ 4,518,639,368
2017	\$ 4,525,648,829

Debt Administration

The district has a separate fund (budget) entitled Repayment of Debt for the purpose of tracking long term debt liabilities. On June 30, 2017, the School District had \$20,025,000 in outstanding debt. Net bonded debt includes only the principal portion of outstanding long term bonded debt. The following issues remain open until their respective maturity dates:

Referendum	Balance Remaining	Maturity
Technology	Paid off (retired)	2013
Early Retirement	Paid off (retired)	2016
Windows, Roofs, Asbestos	Paid off (retired)	2017
Alterations and Additions	\$12,570,000.00*	2023 (Debt has been refinanced)
Photovoltaic Installation	\$7,455,000.00*	2028 (Debt has been refinanced)

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

- In 2011, the Board of Education refinanced the “Alterations and Additions” referendum for a total savings of \$899,000. In the Fall of 2015 the district refinanced the debt associated with the Photovoltaic Installation for an anticipated present value savings of \$350,000.
- Two bond liabilities were retired (Paid off) during the 2016/2017 school year: the “Early Retirement Incentive Program” and the “Windows, Roofs, and Asbestos Abatement” construction initiative.

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

The below table summarizes the outstanding long term debt obligations of the district.

SCHOOL YEAR	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
BONDED DEBT													
Alterations and Additions: Refinance of 3/01/03, Issued 06/30/11 NJ#2002024													
Principal due 03/01/xx	1,820,000	1,880,000	1,955,000	2,035,000	2,120,000	2,230,000	2,350,000						
Interest due 9/1/xx and 3/1/xx	588,569	540,069	474,519	405,113	321,538	220,688	112,188						
NOT ELIGIBLE FOR DSA													
ERIP \$3,270,000 (2/15/03) Re-f 1993 obligations #2000737													
Principal due 7/15/XX US BANK	315,000												
Interest due 7/15/XX & 1/15/XX	8,348												
Windows and Roofs: December 11, 2006 Referendum \$9,800,237 #2001440													
Sale April 4, 2007													
Principal due 3/1/XX	1,155,000												
Interest due 9/1/XX & 3/1/XX	46,200												
Solar (Original) April 15, 2008 Election, \$10,508,700 #2001678													
Sale June 24, 2008													
Principal due 7/15	480,000	500,000	520,000										
Interest Due 7/15 & 1/15	53,550	32,725	11,050										
Solar (Refinance) of 04/15/2008 Solar Referendum Issued 10/20/15 #2002548													
Principal due 7/15/XX				545,000	565,000	585,000	595,000	615,000	650,000	675,000	710,000	740,000	755,000
Interest due 7/15/XX & 1/15/XX	253,975	253,975	253,975	243,075	218,050	198,075	184,788	161,975	130,350	97,225	62,600	33,750	11,325

Source: District debt service worksheets

Initiatives for Budget Savings:

Shared Services and Cooperative Relationships-

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

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

The Lawrence Township Public Schools has become a leader of shared services within Mercer County. In conjunction with Hopewell Township Schools, and East Windsor Township Schools, LTPS has organized districts from Mercer, Hunterdon, and Burlington counties for mandatory safety training and for pupil transportation personnel training, for its non-certified custodial, maintenance, and transportation staff. The district leads an effort that trains over 800 people on an annual basis.

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

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

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

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

School Buildings: Asset Maintenance and Improvement

The school district is comprised of 10 buildings constructed from 1900 through 2005 with many upgrades, renovations, and additions along the years. There are seven school buildings, an administration building, a warehouse/facilities buildings, and one small maintenance building; all of which are located within Lawrence Township.

The district's main investments in the form of ongoing maintenance occur at the school buildings within the designation known as "Required Maintenance." "Required maintenance" means, those maintenance activities necessary to keep the building open and safe, in its original condition, and preserve the warranty of the systems. NJAC 6A:26 requires that to be eligible for state aid, the school district must spend at least 2% of the replacement cost of each building in the form of "Required Maintenance" over the course of 10 years. The Lawrence Township Public Schools spends significantly more than 2% of each building's replacement cost. Below is the amount spent on "Required Maintenance", and the associated building replacement costs, over the past 10 years.

A School/Facility Name	School Number	Gross Building Area (GSF)	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15/16
Lawrence High School	040	240,388	\$ 224,297	\$ 206,712	\$ 172,356	\$ 181,738	\$ 172,269	\$ 401,138	\$ 255,144	\$ 282,968	\$ 330,582
Lawrence Middle School	050	86,123	\$ 27,537	\$ 54,106	\$ 89,464	\$ 144,327	\$ 79,251	\$ 284,165	\$ 321,354	\$ 306,114	\$ 166,145
Ben Franklin Elementary Sch	070	62,829	\$ 20,280	\$ 35,729	\$ 25,168	\$ 39,769	\$ 47,618	\$ 42,879	\$ 70,099	\$ 93,433	\$ 81,556
Eldridge Park Elementary Sch	080	34,673	\$ 47,677	\$ 56,057	\$ 25,987	\$ 32,016	\$ 32,740	\$ 42,174	\$ 66,339	\$ 72,480	\$ 168,498
Lawrence Intermediate School	085	100,742	\$ 37,009	\$ 51,226	\$ 33,954	\$ 40,477	\$ 80,898	\$ 115,682	\$ 88,510	\$ 197,306	\$ 143,906
Lawrenceville Elementary Sch	090	51,684	\$ 13,678	\$ 111,436	\$ 54,322	\$ 33,061	\$ 79,644	\$ 112,832	\$ 42,287	\$ 109,226	\$ 100,881
Slackwood Elementary School	100	43,518	\$ 17,466	\$ 57,089	\$ 33,338	\$ 52,688	\$ 52,159	\$ 88,974	\$ 93,133	\$ 77,918	\$ 119,774
District Total		619,957	\$ 387,944	\$ 572,354	\$ 434,589	\$ 524,076	\$ 544,579	\$ 1,087,844	\$ 936,866	\$ 1,139,445	\$ 1,111,342

In addition to Required Maintenance, the district also undertakes a variety of construction projects each year. In the audit year, the district completed the construction of two synthetic turf athletic fields; both located at Lawrence High School. The district also completed air conditioning projects in the cafeteria and auditorium of Lawrence Middle and the gymnasium, cardio room, and weight room of Lawrence High School.

Grants and Cooperative Relationships-

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

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

In 2012, the district applied for a grant from PSE&G to retrofit lighting throughout the schools, install motion detectors, and install select HVAC upgrades. This grant provided 80% of the funding necessary to complete the retrofit/install and will save the district \$75,000 annually. The return on investment is 1.3 years. During the summer of 2015 the district received grants underwritten by the New Jersey Office of Clean Energy, Direct Install Program, for the purpose of installing LED site lighting. Installations were completed at Ben Franklin and Lawrenceville Elementary schools. The grants for each school covered 70% of the costs and had a 1.55 year return on investment.

Business-Type Activities: Enterprise Funds

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

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

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

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

Source: Audit Exhibit B-5

Governmental Activities

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

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

Enterprise Funds-

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

Internal Controls:

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

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

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

Budgetary Controls:

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

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

Accounting Systems & Reports:

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

Cash Management:

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

Risk Management:

The Board carries various forms of insurance, including but not limited to, general liability; automobile liability and comprehensive/collision; hazard and theft insurance on property and contents; and fidelity bonds. The Insurance schedule for the fiscal year is prepared by Arthur J. Gallagher & Co., Mt. Laurel, NJ. The insurance schedule for the reportable year is listed in the Statistical Section of the CAFR.

Independent Audit:

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

Contacting the School District's Financial Management

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

Notes to Financial Statements

The Notes to Financial Statements section of the CAFR provides critical information necessary to understand the entire report. The notes explain the board of education's fund structure, controls on expenditures, form of accounting, and definitions of terms found with the report.

The Notes to Financial Statements also provide detailed information concerning key figures within the audit, for example, to learn more about outstanding debt, the reader may refer to Note 3. To learn more about Fund Balance, the reader should refer to Note 10 and Note 11.

The Notes to Financial Statements also provide the reader with explanations of how assets and liabilities are calculated, for example, the reader should refer to Note 4 to understand the how pension liabilities are reported.

It is crucial that the reader of these audit documents refer to the interim financial reports presented in the form of the Board Secretary's Report which can be found online at www.ltps.org.

Statistical Section

The Statistical Section of the Comprehensive Annual Financial Report is dedicated to providing the reader with contextual information necessary to interpret the Financial and Notes sections. The Statistical Section's format and contents are prescribed. The data contained in the Statistical Section is unaudited. The sources of the information for each "schedule" in the Statistical Section is noted on the respective schedule.

Financial Trends: These schedules show changes in net position from the perspective of balance sheets and budgetary activities. Users of these data are cautioned to read Exhibits B and C as compliments to the J Schedules. The "basis" of accounting used within these schedules and exhibits requires inclusion of some items that are never transacted during the course of business such as the State of New Jersey's share of Social Security and Pension Costs.

J-1 Net Assets by Component

J-2 Changes in Net Assets

J-3 Fund Balances-Governmental Funds

J-4 Changes in Fund Balances-Governmental Funds

J-5 General Fund Other Local Revenue by Source

Revenue Capacity: These schedules analyze the district's largest source of revenue, property taxes. The schedules identify the base of taxable property upon which levies are made. The schedules also identify the entities that levy taxes and how the levies, and ratable base, have changed over time.

J-6 Assessed Value and Estimated Actual Value of Taxable Property

J-7 Direct and Overlapping Property Tax Rates

J-8 Principal Property Taxpayers

J-9 Property Tax Levies and Collections

Debt Capacity: These schedules provide a ten year history of long term debt balances (principal), the district's ability to issue debt, and the history of other taxing entities that issue debt within Lawrence Township.

J-10 Ratios of Outstanding Debt by Type

J-11 Ratios of General Bonded Debt Outstanding

J-12 Direct and Overlapping Governmental Activities Debt

J-13 Legal Debt Margin Information

Demographic and Economic Information: These schedules provide information concerning income, employment, and unemployment.

J-14 Demographic and Economic Status

J-15 Principal Employers

Operating Information: These schedules provide information concerning trends in number of employees and types of positions, student attendance, building size and maintenance expenditures, and different types of insurance coverages.

J-16 Full-time Equivalent District Employees by Function/Program

J-17 Operating Statistics

J-18 School Building Information

J-19 Schedule of Allowable Maintenance Expenditures by School Facility

J-20 Insurance Schedule

Questions: Readers are encouraged to contact Thomas Eldridge, School Business Administrator, with any questions they may have. Mr. Eldridge may be reached at 609-671-5420 or via email at TEldridge@ltps.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

LAWRENCE TOWNSHIP SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 940,821	142,132	1,082,953
Receivables, Net	2,127,290	35,400	2,162,690
Inventory		40,834	40,834
Restricted Assets:			
Cash and Cash Equivalents	6,448,651		6,448,651
Capital Assets-Non-Depreciable	32,622,900		32,622,900
Capital Assets-Depreciable-Net	79,977,168	80,246	80,057,414
Total Assets	<u>122,116,830</u>	<u>298,612</u>	<u>122,415,442</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>9,448,410</u>		<u>9,448,410</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>532,493</u>		<u>532,493</u>
<u>Liabilities</u>			
Accounts Payable	465,180	90,984	556,164
Accrued Interest	318,232		318,232
Deferred Revenue	181,960		181,960
Noncurrent Liabilities:			
Due Within One Year	2,380,000		2,380,000
Due Beyond One Year	50,189,772		50,189,772
Total Liabilities	<u>53,535,144</u>	<u>90,984</u>	<u>53,626,128</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	92,575,068	80,246	92,655,314
Restricted For:			
Debt Service	48,879		48,879
Special Revenue	(47,348)		(47,348)
Capital Projects	2,049,460		2,049,460
Other Purposes	5,148,159		5,148,159
Unrestricted	<u>(22,276,615)</u>	<u>127,382</u>	<u>(22,149,233)</u>
Total Net Position	<u>\$ 77,497,603</u>	<u>207,628</u>	<u>77,705,231</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>							
Governmental Activities:							
Instruction:							
Regular	\$ 18,995,170				(18,995,170)		(18,995,170)
Special Education	9,272,441		2,927,380		(6,345,061)		(6,345,061)
Other Special Instruction	2,310,991				(2,310,991)		(2,310,991)
Other Instruction	1,112,329				(1,112,329)		(1,112,329)
Support Services:							
Tuition	3,062,061	18,378			(3,043,683)		(3,043,683)
Student & Instruction Related Services	8,990,513		499,779		(8,490,734)		(8,490,734)
School Administrative Services	790,151				(790,151)		(790,151)
General and Business Administrative Services	3,624,829				-		-
Plant Operations and Maintenance	7,301,285				(7,301,285)		(7,301,285)
Pupil Transportation	3,364,525				(3,364,525)		(3,364,525)
Unallocated Benefits	20,236,770				(20,236,770)		(20,236,770)
Capital Outlay	4,833,379		12,801		(4,820,578)		(4,820,578)
Interest on Long-Term Debt	900,160				(900,160)		(900,160)
Unallocated Depreciation	7,478,517				(7,478,517)		(7,478,517)
Total Government Activities	92,273,121	18,378	3,439,960	-	(88,814,783)	-	(88,814,783)
Business-Type Activities:							
Proprietary Funds	1,598,591	874,298	588,702			(135,591)	(135,591)
Total Business-Type Activities	1,598,591	874,298	588,702	-	-	(135,591)	(135,591)
Total Primary Government	93,871,712	892,676	4,028,662	-	(88,814,783)	(135,591)	(88,950,374)

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes			
Property Taxes, Levied for General Purpose, Net	63,454,008		63,454,008
Taxes Levied for Debt Service	3,063,991		3,063,991
Federal and State Aid Not Restricted	12,685,912		12,685,912
Miscellaneous Income	201,077		201,077
Total General Revenues, Special Items, and Transfers	<u>79,404,988</u>	<u>-</u>	<u>79,404,988</u>
Change in Net Position	(9,409,795)	(135,591)	(9,545,386)
Adjustment for Fixed Assets	4,238,527	(183,795)	4,054,732
Net Position - Beginning	<u>82,668,871</u>	<u>527,014</u>	<u>83,195,885</u>
Net Position - Ending	<u>\$ 77,497,603</u>	<u>207,628</u>	<u>77,705,231</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents-Restricted	\$ 4,066,380	187,240	2,146,152	48,879	6,448,651
Cash and Cash Equivalents-Unrestricted	940,821				940,821
Receivables, Net	564,134	355,061	1,208,095		2,127,290
Interfund Receivable	1,309,434				1,309,434
Total Assets	<u>\$ 6,880,769</u>	<u>542,301</u>	<u>3,354,247</u>	<u>48,879</u>	<u>10,826,196</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts Payable	\$ 62,138	146,781	256,261		465,180
Interfund Payable		260,908	1,048,526		1,309,434
Deferred Revenue		181,960			181,960
Total Liabilities	<u>62,138</u>	<u>589,649</u>	<u>1,304,787</u>	<u>-</u>	<u>1,956,574</u>
Fund Balance:					
Restricted for:					
Committed To:					
Maintenance Reserve	516,924				516,924
Emergency Reserve	200,000				200,000
Capital Reserve Account	1,112,456				1,112,456
Assigned To:					
Other Purposes	1,261,779		1,894,539		3,156,318
Designated By The BOE for Subsequent Years Expenditures	2,237,000				2,237,000
Capital Projects Fund			154,921		154,921
Debt Service Fund				48,879	48,879
Unassigned:					
Special Revenue Fund		(47,348)			(47,348)
General Fund	1,490,472				1,490,472
Total Fund Balances	<u>6,818,631</u>	<u>(47,348)</u>	<u>2,049,460</u>	<u>48,879</u>	<u>8,869,622</u>
Total Liabilities and Fund Balance	<u>\$ 6,880,769</u>	<u>542,301</u>	<u>3,354,247</u>	<u>48,879</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$156,995,498 and the accumulated depreciation is \$44,395,430.	112,600,068
Accrued Interest	(318,232)
Deferred outflow of resources - contributions to the pension plan	9,448,410
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(532,493)
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	<u>(52,569,772)</u>
Net Position of governmental activities	<u>\$ 77,497,603</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 63,454,008			3,063,991	66,517,999
Tuition Charges	18,378				18,378
Miscellaneous	491,174	915,030		153,750	1,559,954
Total Local Sources	63,963,560	915,030	-	3,217,741	68,096,331
State Sources	11,757,136	1,028,418	199,569	641,651	13,626,774
Federal Sources	65,053	1,635,995			1,701,048
Total Revenues	75,785,749	3,579,443	199,569	3,859,392	83,424,153
<u>Expenditures</u>					
Current:					
Regular Instruction	18,995,170				18,995,170
Special Education Instruction	6,161,260	3,111,181			9,272,441
Other Special Instruction	2,310,991				2,310,991
Other Instruction	1,112,329				1,112,329
Support Services and Undistributed Costs:					
Tuition	3,062,061				3,062,061
Student and Instruction Related Services	8,465,372	499,779			8,965,151
General Administrative Services	790,151				790,151
Other Administrative Services	3,624,829				3,624,829
Plant Operations and Maintenance	7,301,285				7,301,285
Pupil Transportation	3,364,525				3,364,525
Unallocated Benefits	18,257,506				18,257,506
Transfer of Funds to Charter Schools	25,362				25,362
Debt Service:					
Principal				3,770,000	3,770,000
Interest and Other Charges				950,641	950,641
Capital Outlay	4,208,491	12,801	961,890		5,183,182
Total Expenditures	77,679,332	3,623,761	961,890	4,720,641	86,985,624

LAWRENCE TOWNSHIP SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Exhibit B-2
Sheet 2 of 2

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,893,583)</u>	<u>(44,318)</u>	<u>(762,321)</u>	<u>(861,249)</u>	<u>(3,561,471)</u>
Other Financing Sources (Uses):					
Transfers Out	(44,029)				(44,029)
Capital Projects to Capital Reserve	4,030				4,030
Adjustment for Local Receivable			(25,632)		(25,632)
Contribution to Special Revenue	(495,197)				(495,197)
Capital Reserve to Debt Service	(458,000)			458,000	-
Capital Reserve to Capital Projects	<u>(795,142)</u>		<u>795,142</u>		
Total Other Financing Sources (Uses)	<u>(1,788,338)</u>	<u>-</u>	<u>769,510</u>	<u>458,000</u>	<u>(560,828)</u>
Net Change in Fund Balances	(3,681,921)	(44,318)	7,189	(403,249)	(4,122,299)
Fund Balance - July 1	<u>10,500,552</u>	<u>(3,030)</u>	<u>2,042,271</u>	<u>452,128</u>	<u>12,991,921</u>
Fund Balance - June 30	<u>\$ 6,818,631</u>	<u>(47,348)</u>	<u>2,049,460</u>	<u>48,879</u>	<u>8,869,622</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (4,122,299)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Capital Outlay	349,804
Depreciation Expense	<u>(7,478,517)</u>
	(7,128,713)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	3,770,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	5,145,590
Pension Related Deferrals	(79,260)
Net Pension Liability	(7,021,211)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due. The accrued interest is an addition in the reconciliation.	50,481
Compensated Absences	<u>(24,383)</u>
Change in Net Position of Governmental Activities	<u>\$ (9,409,795)</u>

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

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2017

	<u>Business-type Activities Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 142,132
Accounts Receivable:	
State	933
Federal	33,767
Other	700
Inventory	40,834
Total Current Assets	218,366
Noncurrent Assets:	
Equipment	761,601
Accumulated Depreciation	(681,355)
Total Noncurrent Assets	80,246
Total Assets	\$ 298,612
 <u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	\$ 90,984
Total Liabilities	\$ 90,984
 <u>Net Position</u>	
Investment in Capital Assets	\$ 80,246
Unrestricted	127,382
Total Net Position	\$ 207,628

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2017

	Business-type Activities Enterprise Fund
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs:	
School Lunch Program	\$ 557,840
Daily Sales Non-Reimbursable Programs	260,714
Fees	55,744
Total Operating Revenues	<u>874,298</u>
Operating Expenses:	
Salaries & Benefits	584,967
Supplies and Materials	99,026
Depreciation	20,685
Miscellaneous	158,587
Cost of Sales-Reimbursable Programs	521,157
Cost of Sales-Non-Reimbursable Programs	178,809
Management Fee	35,360
Total Operating Expenses	<u>1,598,591</u>
Operating Income (Loss)	<u>(724,293)</u>
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	13,565
Federal Sources:	
National School Lunch Program	417,458
HHFKA Lunch Program	17,660
School Breakfast Program	41,376
Commodities	98,643
Total Non-Operating Revenues	<u>588,702</u>
Net Income (Loss)	(135,591)
Adjustment for Fixed Assets	(183,795)
Net Position, July 1	<u>527,014</u>
Net Position, June 30	<u>\$ 207,628</u>

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

STATEMENT OF CASH FLOWSPROPRIETARY FUNDSJUNE 30, 2017

	Business-type Activities Enterprise Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 874,298
Payments for Salaries	(584,967)
Payments for Other Costs	(881,716)
Net Cash Used By Operating Activities	<u>(592,385)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received From State and Federal Reimbursements	<u>490,059</u>
Net Cash Provided Noncapital Financing Activities:	<u>490,059</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(102,326)
Cash and Cash Equivalents, July 1	<u>244,458</u>
Cash and Cash Equivalents, June 30	<u>\$ 142,132</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (724,293)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	20,685
Commodities	98,643
Decrease/(Increase) in Inventory	(3,636)
(Increase)/Decrease in Accounts Receivable	(1,220)
Increase/(Decrease) in Accounts Payable	17,436
Net Cash Used By Operating Activities	<u>\$ (592,385)</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDS

JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Payroll Agency</u>	<u>Private Purpose Scholarship Fund</u>	<u>Summer Savings</u>
Assets:				
Cash and Cash Equivalents	\$ 555,888	363,762	33,969	1,392,043
Total Assets	<u>\$ 555,888</u>	<u>363,762</u>	<u>33,969</u>	<u>1,392,043</u>
Net Position:				
Accrued Salaries - Summer Savings	\$ -			1,392,043
Payroll Withholding		363,762		
Held in Trust for Unemployment Claims and Other Purposes	555,888			
Reserved for Scholarships			33,969	
Total Net Position	<u>\$ 555,888</u>	<u>363,762</u>	<u>33,969</u>	<u>1,392,043</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit B-8

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<u>Additions</u>		
Contributions:		
Other	\$ -	1,450
Total Additions	<u>-</u>	<u>1,450</u>
<u>Deductions</u>		
Scholarships Awarded		1,750
Total Deductions	<u>-</u>	<u>1,750</u>
Change in Net Position	-	(300)
Net Position - Beginning of the Year	<u>555,888</u>	<u>34,269</u>
Net Position - End of the Year	<u>\$ 555,888</u>	<u>33,969</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Lawrence Township School District is a Type II district located in the County of Mercer, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades PreK-12. The Lawrence Township School District had an approximate enrollment at June 30, 2017 of 3,868 students.

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

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

B. Government-Wide Financial Statements

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

D. Fund Accounting:

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

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

Fiduciary Fund Types

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

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

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 were insignificant.

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

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

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

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

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

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

F. Encumbrances:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

I. Capital Assets and Depreciation

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

The District performed an in-house asset valuation during the 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2002-2003 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2003, fiscal year 2003 depreciation expense, total accumulated depreciation and book values were also provided. The records have updated annually through June 30, 2017. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

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

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental Activities:					
Capital Assets That are Not Being Depreciated:					
Land	\$ 32,622,900	_____	_____	_____	32,622,900
Total	<u>32,622,900</u>	_____	_____	_____	<u>32,622,900</u>
Depreciable Assets:					
Buildings	121,714,832				121,714,832
Machinery & Equipment	<u>14,148,298</u>	_____	<u>(11,490,532)</u>	_____	<u>2,657,766</u>
Total	<u>135,863,130</u>	_____	<u>(11,490,532)</u>	_____	<u>124,372,598</u>
Less: Accumulated Depreciation:					
Buildings	(36,916,914)	(5,497,875)			(42,414,789)
Machinery & Equipment	<u>(15,729,058)</u>	<u>(1,980,642)</u>	<u>15,729,059</u>	_____	<u>(1,980,641)</u>
Total Accumulated Depreciation	<u>(52,645,972)</u>	<u>(7,478,517)</u>	<u>15,729,059</u>	_____	<u>(44,395,430)</u>
Net Depreciable Assets	<u>83,217,158</u>	_____	<u>4,238,527</u>	_____	<u>79,977,168</u>
Governmental Activities Capital Assets (Net)	<u>\$ 115,840,058</u>	<u>(7,478,517)</u>	<u>4,238,527</u>	_____	<u>112,600,068</u>

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years'</u> <u>Accumulated</u> <u>Depreciation</u>	<u>Current Year</u> <u>Depreciation</u> <u>Expense</u>	<u>Adjustments</u>	<u>Total</u> <u>Accumulated</u> <u>Depreciation</u>
Instruction	\$ 8,114,598	1,152,703	(2,424,402)	6,842,899
Support Services	4,952,866	703,569	(1,479,770)	4,176,666
Unallocated	<u>39,578,508</u>	<u>5,622,245</u>	<u>(11,824,887)</u>	<u>33,375,866</u>
	<u>\$ 52,645,972</u>	<u>7,478,517</u>	<u>(15,729,059)</u>	<u>44,395,431</u>

	<u>Balance</u> <u>July 1, 2016</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2017</u>
Business-Type Activities:				
Equipment	\$ 664,021	97,580		761,601
Less: Accumulated Depreciation:				
Equipment	<u>(379,295)</u>	<u>(281,375)</u>	<u>(20,685)</u>	<u>(681,355)</u>
Business-Type Capital Assets (Net)	<u>\$ 284,726</u>	<u>(183,795)</u>	<u>(20,685)</u>	<u>80,246</u>

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

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

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

K. Deferred Revenue

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

L. Fund Equity

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

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

Investments

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

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

As of June 30, 2017, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 10,080,769</u>

During the period ended June 30, 2017, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2017 was \$10,080,769 and the bank balance was \$11,414,826. Of the bank balance, \$500,000 was covered by federal depository insurance and \$10,914,826 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

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

FDIC	\$ 500,000
GUPDA	<u>10,914,826</u>
	<u>\$11,414,826</u>

As of June 30, 2017, the District did not hold any long-term investments.

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

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

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Long-Term</u> <u>Portion</u>	<u>2017-18</u> <u>Payment</u>
Compensated Absences Payable	\$ 730,834	24,383		755,217	755,217	
Capital Leases	349,803		349,803			
Bonds Payable	23,795,000		3,770,000	20,025,000	17,645,000	2,380,000
Pension Liability	<u>24,768,334</u>	<u>7,021,221</u>	<u> </u>	<u>31,789,555</u>	<u>31,789,555</u>	<u> </u>
Total	<u>\$ 49,643,971</u>	<u>7,045,604</u>	<u>4,119,803</u>	<u>52,569,772</u>	<u>50,189,772</u>	<u>2,380,000</u>

A. Bonds Payable

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

1. Solar improvements for \$10,508,000 at 4.25% to 4.375% interest with a balance of \$1,020,000 maturing 7-15-28.
2. Refunding issue of 3-1-12 for \$18,450,000 at 4% maturing 3-1-23 with a balance of \$12,570,000 maturing 3-1-23.
3. Refunding issue of 11-17-15 for \$6,435,000 at 2.0% to 5.0% interest with a balance of \$6,435,000 maturing 7-15-28.

NOTE 3: General Long-Term Debt (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2017-2018	\$ 2,380,000	826,769	3,206,769
2018-2019	2,475,000	739,543	3,214,543
2019-2020	2,580,000	648,188	3,228,188
2020-2021	2,685,000	539,588	3,224,588
2021-2022	2,815,000	418,762	3,233,762
2020/21-2024/25	5,595,000	749,126	6,344,126
2025/26-2028/29	<u>1,495,000</u>	<u>45,075</u>	<u>1,540,075</u>
	<u>\$ 20,025,000</u>	<u>3,967,051</u>	<u>23,992,051</u>

NOTE 4: Pension Plans

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

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

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

NOTE 4: Pension Plans (Continued)

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

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

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

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

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

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

Year	Annual	Percentage	Net
Funding	Pension	of APC	Pension
	Cost (APC)	Contributed	Obligation
6/30/17	\$ 999,094	100%	0
6/30/16	973,457	100%	0
6/30/15	933,333	100%	0

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

Year	Annual	Percentage	Net
Funding	Pension	of APC	Pension
	Cost (APC)	Contributed	Obligation
6/30/17	\$ 5,609,242	100%	0
6/30/16	4,946,417	100%	0
6/30/15	4,011,298	100%	0

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$5,609,242 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,164,763 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 24.

Pension Expense Deferred Outflows/Inflows – PERS

For the year ended June 30, 2017, the District recognized pension expense of \$999,094. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred	Deferred
	Outflows	Inflows
	of Resources	of Resources
Difference Between Expected and Actual Experience	\$ 591,189	
Changes of Assumptions	6,585,098	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,212,165	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	60,864	532,493
District Contributions Subsequent to the Measurement Date	<u>999,094</u>	<u> </u>
Total	<u>\$ 9,448,410</u>	<u>532,493</u>

\$9,448,410 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 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:

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

Collective balances at December 31, 2016 and 2015 are as follows:

	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
Collective Deferred Outflows of Resources	\$ 9,448,410	4,302,820
Collective Deferred Inflows of Resources	532,493	453,233
Collective Net Pension Liability	31,789,555	24,768,344
District's Proportion	.10734%	.11034%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2016 were as follows:

	2016		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 36,295,189,928	49,474,698,146	85,769,888,074
Plan Fiduciary Net Position	<u>6,904,504,223</u>	<u>19,857,566,387</u>	<u>26,762,070,610</u>
Net Pension Liability	<u>\$ 29,390,685,705</u>	<u>29,617,131,759</u>	<u>59,007,817,464</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.02%	40.14%	31.20%
	2015		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 31,614,118,524	43,109,580,038	74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$ 23,722,135,537</u>	<u>22,447,996,119</u>	<u>46,170,131,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.96%	47.93%	38.21%

NOTE 4: Pension Plans (Continued)

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 Pre-retirement 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 rates 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 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 scale. 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).

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.

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. Best estimates of arithmetic real 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:

NOTE 4: Pension Plans (Continued)

<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. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal years. State employer 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.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2016</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (3.90%)</u>	<u>Discount</u>	<u>Increase (5.90%)</u>
<u>Rate (4.90%)</u>	<u>Rate (4.90%)</u>	<u>Rate (4.90%)</u>	
State	\$ 34,422,851,197	29,390,685,705	25,246,574,457
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
Total	<u>\$ 70,715,189,252</u>	<u>59,007,817,464</u>	<u>49,352,744,647</u>
	<u>2015</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (3.90%)</u>	<u>Discount</u>	<u>Increase (5.90%)</u>
	<u>Rate (4.90%)</u>	<u>Rate (4.90%)</u>	<u>Rate (4.90%)</u>
State	\$ 27,802,122,942	23,722,135,537	20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>

Teachers Pensions and Annuity Fund (TPAF)**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Total Pension Liability	\$ 101,746,770,000	89,182,662,000
Plan Fiduciary Net Position	<u>22,717,862,967</u>	<u>25,604,797,560</u>
Net Pension Liability	<u>\$ 79,028,907,033</u>	<u>63,577,864,440</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%

NOTE 4: Pension Plans (Continued)**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2016</u>	<u>2015</u>
District's Liability	<u>\$ 221,848,042</u>	<u>181,236,438</u>
District's Proportion	.028072%	.028506%

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	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvements on a 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. 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:

NOTE 4: Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign – Developed Equity	13.25%	5.91%
Emerging Markets 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 - MultiStrategy	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. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the 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 Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2016 (2.22%, 3.22%, 4.22%)	\$ 94,378,176,033	79,028,907,033	66,494,248,033
2015 (3.13%, 4.13%, 5.13%)	75,559,915,440	63,577,864,440	53,254,610,440

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

NOTE 6: Deferred Compensation

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

Equitable
Lincoln
Met Life
Valic
Legend

NOTE 7: Risk Management

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

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

NOTE 7: Risk Management (Continued)

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

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2016-2017	\$ 0	0	0	555,888
2015-2016	85,000	0	0	555,888
2014-2015	85,000	0	0	470,888

NOTE 8: Capital Reserve Account

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

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

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		\$ 2,589,417
Deposits:		
Interest	3,568	
Budget Increase	1,999,000	
Board Resolution	250,000	
Return to Various Project Withdrawal	<u>234,266</u>	
		<u>2,486,834</u>
		5,076,251
Withdrawals:		
Budgeted Withdrawal – Debt Service	458,000	
Budgeted Withdrawal – Capital Projects	839,171	
Various Project (Capital Outlay)	<u>2,666,624</u>	
		<u>3,963,795</u>
Ending Balance, June 30, 2017		<u>\$ 1,112,456</u>

NOTE 9: Interfund Receivables and Payables

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	\$ 1,309,434	
Special Revenue Fund		260,908
Capital Projects	_____	<u>1,048,526</u>
	<u>\$ 1,309,434</u>	<u>1,309,434</u>

NOTE 10: Fund Balance Appropriated

General Fund – Of the \$7,023,058 General Fund fund balance at June 30, 2017, \$1,261,779 is reserved for encumbrances; \$2,237,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2018; \$1,112,456 is in capital reserve, \$200,000 is in emergency reserve, \$516,924 is in Maintenance Reserve; \$1,694,899 is unreserved and undesignated.

NOTE 11: Calculation of Excess Surplus

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

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2017-2018 budget and expended there from.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Lawrence Township at June 30, 2017 had excess surplus of \$0 (see calculation below).

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

The calculation of reserved excess surplus is as follows:

NOTE 11: Calculation of Excess Surplus (Continued)**2% Calculation of Excess Surplus**

2016-17 Total General Fund Expenditures Per the CAFR \$ 77,679,332

Increased by:

Transfer from Capital Reserve to Capital Projects	839,171
Transfer from Capital Reserve to Debt Service	458,000
Transfer from General Fund to SRF Preschool	495,197
	<u>79,471,700</u>

Decreased by:

On-Behalf TPAF Pension & Social Security	<u>(7,774,005)</u>
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Adjusted 2016-17 General Fund Expenditures \$ 71,697,695

2% of Adjusted 2016-17 General Fund Expenditures \$ 1,433,954

Increased by: Allowable Adjustment 457,526Maximum Unassigned Fund Balance \$ 1,891,480**Section 2**

Total General Fund -- Fund Balance @ 6-30-17 \$ 7,023,058

Decreased by:

Reserved for Encumbrances	(1,261,779)
Designated for Subsequent Year's Expenditures -- BOE	(2,237,000)
Other Reserves	<u>(1,829,380)</u>

Total Unassigned Fund Balance \$ 1,694,899Excess Surplus \$ 0**Section 3**

Excess Surplus -- Current Year \$ 0

Designated for Subsequent Years Expenditures -- Excess Surplus 0\$ 0**Detail of Allowable Adjustments**

Extraordinary Aid \$ 404,749

Non-Public Transportation Aid 52,777\$ 457,526**Detail of Other Restricted Fund Balance**

Maintenance Reserve \$ 516,924

Emergency Reserve 200,000

Capital Reserve 1,112,456Total Other Restricted Fund Balance \$ 1,829,380

NOTE 12: Section 125 IRS Code (Cafeteria Plan)

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

NOTE 13: Contingent Liabilities

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

NOTE 14: Economic Dependency

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

NOTE 15: Current Expense Emergency Reserve Account

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

NOTE 16: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2017. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2017 through November 20, 2017.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 63,454,008		63,454,008	63,454,008	-
Tuition	80,000		80,000	18,378	(61,622)
Interest on Investments	13,000		13,000	40,264	27,264
Miscellaneous	117,000		117,000	450,910	333,910
Total Local Sources	<u>63,664,008</u>	<u>-</u>	<u>63,664,008</u>	<u>63,963,560</u>	<u>299,552</u>
State Sources:					
Special Education Aid	2,323,116		2,323,116	2,323,116	-
Security Aid	421,512		421,512	421,512	-
Transportation Aid	653,820		653,820	653,820	-
PARCC Readiness Aid	40,410		40,410	40,410	-
Per Pupil Growth Aid	40,410		40,410	40,410	-
Extraordinary Aid				404,749	404,749
Non Public Transportation Aid			-	52,777	52,777
Professional Learning Community Aid	39,090		39,090	39,090	-
On Behalf TPAF Pension Contributions (Non-Budgeted)			-	5,609,242	5,609,242
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,164,763	2,164,763
Total State Sources	<u>3,518,358</u>	<u>-</u>	<u>3,518,358</u>	<u>11,749,889</u>	<u>8,231,531</u>
Federal Sources:					
Medicaid Reimbursement	54,165		54,165	65,053	10,888
Total Federal Sources	<u>54,165</u>	<u>-</u>	<u>54,165</u>	<u>65,053</u>	<u>10,888</u>
Total Revenues	<u>67,236,531</u>	<u>-</u>	<u>67,236,531</u>	<u>75,778,502</u>	<u>8,541,971</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten-Salaries of Teachers	1,005,229	16,595	1,021,824	978,328	43,496
Grades 1-5-Salaries of Teachers	6,518,484	(170,158)	6,348,326	6,287,566	60,760
Grades 6-8-Salaries of teachers	3,425,655	54,427	3,480,082	3,475,911	4,171
Grades 9-12-Salaries of teachers	5,621,009	(31,164)	5,589,845	5,585,105	4,740
Regular Programs Undistributed - Instruction:					
Other Salaries for Instruction	698,677	(74,680)	623,997	623,415	582
Purchased Professional/Educational Services	67,450	(44,041)	23,409	23,352	57
Other Purchased Services	255,989	171,329	427,318	419,066	8,252
General Supplies	1,246,214	98,820	1,345,034	1,284,983	60,051
Textbooks	180,320	47,580	227,900	215,173	12,727
Other Objects	16,531	(2,366)	14,165	14,088	77
Home Instruction:					
Teachers Salaries	21,000	(808)	20,192	19,694	498
Purchased Professional/Educational Services	30,000	39,823	69,823	68,489	1,334
Total Regular Programs-Instruction	<u>19,086,558</u>	<u>105,357</u>	<u>19,191,915</u>	<u>18,995,170</u>	<u>196,745</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Behavioral Disabilities:					
Salaries of Teachers	193,688	(1,550)	192,138	192,138	-
Other Salaries For Instruction	151,469		151,469	151,467	2
General Supplies	1,380	(98)	1,282	1,282	-
Total Behavioral Disabilities	<u>346,537</u>	<u>(1,648)</u>	<u>344,889</u>	<u>344,887</u>	<u>2</u>
Multiple Disabilities:					
Salaries of Teachers	1,215,987	(113,793)	1,102,194	1,102,194	-
Other Salaries for Instruction	605,336	(43,391)	561,945	561,867	78
General Supplies	11,937	(2,134)	9,803	9,803	-
Total Multiple Disabilities	<u>1,833,260</u>	<u>(159,318)</u>	<u>1,673,942</u>	<u>1,673,864</u>	<u>78</u>
Resource Room/Resource Center:					
Salaries of Teachers	3,094,245	(16,842)	3,077,403	3,076,822	581
Other Salaries for Instruction	622,989	14,070	637,059	636,901	158
Purchased Professional Educational Services	7,000	(7,000)	-	-	-
General Supplies	16,655	(3,904)	12,751	12,751	-
Textbooks	1,980	(392)	1,588	1,588	-
Total Resource Room/Resource Center	<u>3,742,869</u>	<u>(14,068)</u>	<u>3,728,801</u>	<u>3,728,062</u>	<u>739</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	17,424	(3,112)	14,312	14,312	-
Other Salaries for Instruction	20,700	(5,753)	14,947	14,947	-
General Supplies	1,050	(1,050)	-	-	-
Total Preschool Handicapped	<u>39,174</u>	<u>(9,915)</u>	<u>29,259</u>	<u>29,259</u>	<u>-</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Preschool Disabilities-Full Time					
Salaries of Teachers	253,359	(72,164)	181,195	181,194	1
Other Salaries for Instruction	224,190	(27,048)	197,142	196,672	470
General Supplies	5,050	2,272	7,322	7,322	-
Total Preschool Handicapped	<u>482,599</u>	<u>(96,940)</u>	<u>385,659</u>	<u>385,188</u>	<u>471</u>
Total Special Education	<u>6,444,439</u>	<u>(281,889)</u>	<u>6,162,550</u>	<u>6,161,260</u>	<u>1,290</u>
Academic Support Instruction:					
Salaries of Teachers	1,877,266	(57,090)	1,820,176	1,819,969	207
General Supplies	13,527	(7,319)	6,208	6,208	-
Total Academic Support Instruction	<u>1,890,793</u>	<u>(64,409)</u>	<u>1,826,384</u>	<u>1,826,177</u>	<u>207</u>
Bilingual Education:					
Salaries of Teachers	496,854	(19,408)	477,446	477,258	188
General Supplies	9,525	(1,968)	7,557	7,556	1
Textbooks	600	(600)	-	-	-
Total Bilingual Education	<u>506,979</u>	<u>(21,976)</u>	<u>485,003</u>	<u>484,814</u>	<u>189</u>
School Sponsored Co-Curricular Activities:					
Salaries	140,794	(3,757)	137,037	136,999	38
Other Purchased Services	29,025	(6,811)	22,214	20,763	1,451
Supplies and Materials	32,550	18,221	50,771	44,476	6,295
Other Objects	20,675	3,982	24,657	10,394	14,263
Total School Sponsored Co-Curricular Activities	<u>223,044</u>	<u>11,635</u>	<u>234,679</u>	<u>212,632</u>	<u>22,047</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
School Sponsored Athletics:					
Salaries	493,693	280	493,973	464,987	28,986
Salaries of Secretarial & Clerical	62,305	2,750	65,055	65,055	-
Other Purchased Services	146,343	(5,000)	141,343	84,907	56,436
Supplies and Materials	132,864	(23,758)	109,106	95,332	13,774
Other Objects	12,370		12,370	7,762	4,608
Total School Sponsored Athletics	<u>847,575</u>	<u>(25,728)</u>	<u>821,847</u>	<u>718,043</u>	<u>103,804</u>
After School Programs:					
Salaries of Teachers	72,485	(11,100)	61,385	47,633	13,752
Other Salaries For Instruction	42,725	11,100	53,825	44,443	9,382
Purchased Professional Education Services	56,448	(2,323)	54,125	52,772	1,353
Supplies and Materials	4,400	(3,284)	1,116	1,116	-
Total After School Programs	<u>176,058</u>	<u>(5,607)</u>	<u>170,451</u>	<u>145,964</u>	<u>24,487</u>
Summer School Programs:					
Salaries of Teachers	31,743	(26)	31,717	31,717	-
Total Summer School Programs	<u>31,743</u>	<u>(26)</u>	<u>31,717</u>	<u>31,717</u>	<u>-</u>
Community Service Programs:					
Purchased Professional Educational Services		3,973	3,973	3,973	-
Total Community Service Programs	<u>-</u>	<u>3,973</u>	<u>3,973</u>	<u>3,973</u>	<u>-</u>
Total Instruction	<u>29,207,189</u>	<u>(278,670)</u>	<u>28,928,519</u>	<u>28,579,750</u>	<u>348,769</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - Regular	281,925	(49,286)	232,639	172,900	59,739
Tuition to Other LEA's - Special	15,750	(15,750)	-	-	-
Tuition to County Special Services - Regular	49,250	(14,625)	34,625	34,625	-
Tuition to County Special Services - Special	60,000	3,250	63,250	63,250	-
Tuition to CSSD & Regular Day Schools	1,436,754	(136,190)	1,300,564	1,225,772	74,792
Tuition to Private Schools - Within State	1,073,664	245,969	1,319,633	1,315,148	4,485
Tuition to Private Schools - Outside State	200,636	(25,568)	175,068	163,658	11,410
Tuition - State Facilities	67,843	(35,537)	32,306	32,306	-
Tuition - Other	55,875	(147)	55,728	54,402	1,326
Total Instruction	<u>3,241,697</u>	<u>(27,884)</u>	<u>3,213,813</u>	<u>3,062,061</u>	<u>151,752</u>
Attendance & Social Work Services:					
Salaries	234,815	22,042	256,857	237,158	19,699
Purchased Professional and Technical Services	33,000	(1,695)	31,305	31,305	-
Supplies and Materials	250	663	913	913	-
Total Attendance & Social Work Services	<u>268,065</u>	<u>21,010</u>	<u>289,075</u>	<u>269,376</u>	<u>19,699</u>
Health Services:					
Salaries	825,855	(72,115)	753,740	753,386	354
Purchased Professional and Technical Services	2,340	426	2,766	2,700	66
Other Purchased Services	25,350	18,822	44,172	40,439	3,733
Supplies and Materials	43,607	(1,260)	42,347	39,573	2,774
Total Health Services	<u>897,152</u>	<u>(54,127)</u>	<u>843,025</u>	<u>836,098</u>	<u>6,927</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Other Support Services - Students - Related:					
Salaries	1,187,822	(81,187)	1,106,635	1,106,634	1
Purchased Professional Educational Services	380,600	22,738	403,338	377,929	25,409
Supplies and Materials	6,700	2,294	8,994	8,994	-
Total Other Support Services - Student - Related	<u>1,575,122</u>	<u>(56,155)</u>	<u>1,518,967</u>	<u>1,493,557</u>	<u>25,410</u>
Other Support Services - Extraordinary:					
Salaries	261,804	(26,949)	234,855	228,745	6,110
Purchased Professional Educational Services	110	(110)	-	-	-
Total Other Support Services - Extraordinary	<u>261,914</u>	<u>(27,059)</u>	<u>234,855</u>	<u>228,745</u>	<u>6,110</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	1,248,255	(67,354)	1,180,901	1,149,870	31,031
Salaries - Secretarial and Clerical	240,057	(9,618)	230,439	230,439	-
Other Salaries for Instruction	2,175	(81)	2,094	859	1,235
Purchased Professional Educational Services	500	(500)	-	-	-
Other Purchased Services	17,600	821	18,421	13,952	4,469
Supplies and Materials	6,993	(213)	6,780	6,674	106
Other Objects	1,470	45	1,515	1,515	-
Total Other Support Services - Students - Regular	<u>1,517,050</u>	<u>(76,900)</u>	<u>1,440,150</u>	<u>1,403,309</u>	<u>36,841</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	1,668,793	(9,620)	1,659,173	1,659,173	-
Salaries - Secretarial & Clerical	171,339	496	171,835	167,494	4,341
Purchased Professional Educational Services	18,050	(768)	17,282	17,097	185
Supplies & Materials	11,678	8,157	19,835	19,528	307
Other Purchased Services	1,600	881	2,481	2,481	-
Other Objects	17,500	(2,972)	14,528	14,528	-
Total Other Support Services - Students - Special	1,888,960	(3,826)	1,885,134	1,880,301	4,833
Improvement of Instructional Services:					
Salaries - Supervisors of Instruction	1,144,206		1,144,206	1,134,903	9,303
Salaries - Other Professional Staff	43,240	(9,233)	34,007	28,244	5,763
Salaries - Secretarial & Clerical	146,240	8,204	154,444	154,443	1
Purchased Professional Educational Services	2,500	(1,252)	1,248		1,248
Other Purchased Services	9,850	782	10,632	8,188	2,444
Supplies and Materials	8,150		8,150	4,212	3,938
Other Objects	18,160	800	18,960	11,239	7,721
Total Improvement of Instructional Services	1,372,346	(699)	1,371,647	1,341,229	30,418
Educational Media Services/School Library:					
Salaries	402,561	740	403,301	403,301	-
Other Salaries For Instruction	229,213	(417)	228,796	227,018	1,778
Salaries of Technology Coordinators	115,944	1,894	117,838	117,029	809
Purchased Professional and Technical Services	55,824	(1,667)	54,157	46,782	7,375
Other Purchased Services	8,174	239	8,413	8,413	-
Supplies and Materials	116,406	3,708	120,114	117,047	3,067
Total Educational Media Srvs/School Library	928,122	4,497	932,619	919,590	13,029

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Instructional Staff Training Services:					
Other Salaries	15,460		15,460	14,145	1,315
Purchased Professional/Educational Services	31,600	12,151	43,751	39,600	4,151
Other Purchased Services	30,000	10,582	40,582	34,950	5,632
Supplies and Materials	9,100	(2,892)	6,208	4,472	1,736
Other Objects	5,000	(1,800)	3,200		3,200
Total Instructional Staff Training Services	<u>91,160</u>	<u>18,041</u>	<u>109,201</u>	<u>93,167</u>	<u>16,034</u>
Support Services - General Administration:					
Salaries	317,615	(18)	317,597	317,597	-
Legal Services	100,000	80,445	180,445	149,720	30,725
Audit Services	23,400	(700)	22,700	22,700	-
Purchased Professional Services		57,286	57,286	44,851	12,435
Communications - Telephone	84,510	(4,216)	80,294	80,257	37
Other Purchased Services	166,485	(26,042)	140,443	121,142	19,301
General Supplies	5,225	(1,175)	4,050	4,050	-
BOE-Supplies	6,000	(587)	5,413	4,713	700
Judgments		12,000	12,000	12,000	
Miscellaneous	27,000	(337)	26,663	26,663	-
BOE - Membership Dues and Fees	9,225	(2,600)	6,625	6,458	167
Total Support Services - General Administration	<u>739,460</u>	<u>114,056</u>	<u>853,516</u>	<u>790,151</u>	<u>63,365</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Support Services - School Administration:					
Salaries Principals/Assistant Principals	1,471,402	5,000	1,476,402	1,458,150	18,252
Salaries - Secretarial and Clerical	673,450	26,579	700,029	678,730	21,299
Purchased Professional & Technical Services	500	(500)	-	-	-
Other Purchased Services	15,404	4,734	20,138	18,353	1,785
Supplies and Materials	20,545	16,518	37,063	20,316	16,747
Other Objects	12,600	1,000	13,600	11,812	1,788
Total Support Services - School Administration	2,193,901	53,331	2,247,232	2,187,361	59,871
Support Services - Central Services:					
Salaries	923,387	(100)	923,287	915,811	7,476
Salaries of Other Professional Staff		17,303	17,303	15,365	1,938
Purchased Technical Services	17,050	(6,485)	10,565	10,297	268
Other Purchased Services	26,975	14,545	41,520	33,619	7,901
Supplies and Materials	12,500	16,107	28,607	19,971	8,636
Miscellaneous Expenditures	5,730	947	6,677	6,030	647
Total Support Services - Central Services	985,642	42,317	1,027,959	1,001,093	26,866
Support Services - Technology Services:					
Salaries	149,304	733	150,037	149,971	66
Salaries of Secretarial & Clerical Assistants	46,125		46,125	46,125	-
Purchased Technical Services	47,029		47,029	47,028	1
Other Purchased Services	13,500	(2,976)	10,524	10,524	-
Supplies and Materials	105,992	77,738	183,730	174,924	8,806
Other Objects	18,141	(8,907)	9,234	7,803	1,431
Total Support Services - Technology Services	380,091	66,588	446,679	436,375	10,304

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Allowance Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	348,583	1,011,526	1,360,109	992,658	367,451
General Supplies	150,000	142,275	292,275	228,567	63,708
Total Allowance Maint. For School Facilities	<u>498,583</u>	<u>1,153,801</u>	<u>1,652,384</u>	<u>1,221,225</u>	<u>431,159</u>
Operations and Maintenance of Plant Services:					
Salaries	1,695,077	(93,480)	1,601,597	1,567,882	33,715
Salaries for Secretarial & Clerical	58,826		58,826	58,826	-
Salaries - Other	1,434,193	3,575	1,437,768	1,427,985	9,783
Cleaning, Repair & Maintenance Services	508,153	413,830	921,983	811,102	110,881
Rental of Land and Buildings - Other Than Lease Purchase Agreements		75	75	75	-
Other Purchased Property Services	148,909	7,374	156,283	146,735	9,548
Insurance	315,640	17,619	333,259	333,259	-
Other Purchased Services	1,750	904	2,654	2,563	91
General Supplies	243,604	2,420	246,024	240,307	5,717
Energy (Electric)	680,000	(50,578)	629,422	485,238	144,184
Energy (Natural Gas)	450,000	(65,096)	384,904	356,105	28,799
Energy (Gasoline)	16,000	1,884	17,884	11,071	6,813
Other Objects	5,459	2,705	8,164	5,458	2,706
Total Operations and Maint. of Plant Services	<u>5,557,611</u>	<u>241,232</u>	<u>5,798,843</u>	<u>5,446,606</u>	<u>352,237</u>
Maintenance of Grounds:					
Salaries	10,000		10,000	8,548	1,452
Cleaning, Repair and Maintenance	140,000	(18,756)	121,244	96,479	24,765
General Supplies	34,000	(4,709)	29,291	18,266	11,025
Total Grounds	<u>184,000</u>	<u>(23,465)</u>	<u>160,535</u>	<u>123,293</u>	<u>37,242</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Security:					
Salaries	4,620	(2,599)	2,021	785	1,236
Other Salaries for Instruction		23,885	23,885	23,885	-
Other Salaries	458,842	- 10,396	469,238	460,932	8,306
Purchased Technical Services	6,300	(452)	5,848	5,848	-
Purchased Services	1,050	(1,050)	-	-	-
Supplies and Materials	34,035	(15,324)	18,711	18,711	-
Total Security	<u>504,847</u>	<u>14,856</u>	<u>519,703</u>	<u>510,161</u>	<u>9,542</u>
Student Transportation Services:					
Salaries-Non Instructional Aides	146,236	38,893	185,129	183,771	1,358
Salaries for Pupil Trans. (Home/School - Reg.)	189,882	(26,097)	163,785	157,022	6,763
Salaries for Pupil Trans. (Home/School - Sp. Ed)	123,890	2,205	126,095	122,026	4,069
Salaries for Pupil Trans.(Other than Home/School)		13,928	13,928	10,240	3,688
Purchased Professional and Technical Services	6,000	2,400	8,400	8,400	-
Equipment Repair	35,000	20,434	55,434	48,137	7,297
Bus Rental	3,464	(2,659)	805	805	-
Aid In Lieu	234,260	(48,000)	186,260	135,935	50,325
Contracted Services:					
(Home/School) Vendors	1,714,561	(104,967)	1,609,594	1,604,127	5,467
(Other Than Home/School) Vendors	209,966	(5,227)	204,739	186,120	18,619
(Special Education) Vendors	514,198	(996)	513,202	465,167	48,035
(Home/School)Joint Agreements	18,905	29,989	48,894	45,609	3,285
(Special Education) Joint Agreements	110,222	77,979	188,201	169,005	19,196
(Special Education) - ECSs & CTSA's	238,828		238,828	201,286	37,542
Miscellaneous Purchased Services	5,000	(135)	4,865	4,813	52
Supplies and Materials	28,256	7,099	35,355	21,067	14,288
Miscellaneous	1,030	(35)	995	995	-
Total Transportation Services	<u>3,579,698</u>	<u>4,811</u>	<u>3,584,509</u>	<u>3,364,525</u>	<u>219,984</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 13 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	825,000	156,177	981,177	981,177	-
Other Retirement Contributions PERS	1,078,329	(77,826)	1,000,503	999,094	1,409
Unemployment Compensation	85,000		85,000		85,000
Workmen's Compensation	390,000	9,300	399,300	399,300	-
Health Benefits	8,851,806	(400,772)	8,451,034	7,774,995	676,039
Tuition Reimbursements	104,000	5,774	109,774	84,853	24,921
Other Employee Benefits	363,828	2,113	365,941	244,082	121,859
Total Unallocated Benefits	<u>11,697,963</u>	<u>(305,234)</u>	<u>11,392,729</u>	<u>10,483,501</u>	<u>909,228</u>
On Behalf TPAF Contributions (Non-Budgeted)			-	5,609,242	(5,609,242)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,164,763	(2,164,763)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,774,005</u>	<u>(7,774,005)</u>
Total Undistributed Expenditures	<u>38,363,384</u>	<u>1,159,191</u>	<u>39,522,575</u>	<u>44,865,729</u>	<u>(5,343,154)</u>
Total Expenditures - Current Expense	<u>67,570,573</u>	<u>880,521</u>	<u>68,451,094</u>	<u>73,445,479</u>	<u>(4,994,385)</u>
Capital Outlay:					
Non-Instructional Equipment		91,182	91,182	88,814	2,368
Instructional Equipment		6,120	6,120	6,120	-
School Buses		53,762	53,762	53,762	-
Total Equipment	<u>-</u>	<u>151,064</u>	<u>151,064</u>	<u>148,696</u>	<u>2,368</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 14 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Facilities Acquisition and Construction Services:					
Purchased Professional Technical Services		158,001	158,001	136,190	21,811
Construction Services		4,169,959	4,169,959	3,747,465	422,494
Other Objects	131,864	14,177	146,041	146,041	-
Non Instructional Equipment		70,041	70,041	30,099	39,942
Total Facilities Acquisition and Construction Svcs.	<u>131,864</u>	<u>4,412,178</u>	<u>4,544,042</u>	<u>4,059,795</u>	<u>484,247</u>
Total Capital Outlay	<u>131,864</u>	<u>4,563,242</u>	<u>4,695,106</u>	<u>4,208,491</u>	<u>486,615</u>
Transfer to Charter Schools	<u>12,579</u>	<u>12,783</u>	<u>25,362</u>	<u>25,362</u>	
Total Expenditures	<u>67,715,016</u>	<u>5,456,546</u>	<u>73,171,562</u>	<u>77,679,332</u>	<u>(4,507,770)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(478,485)</u>	<u>(5,456,546)</u>	<u>(5,935,031)</u>	<u>(1,900,830)</u>	<u>4,034,201</u>
Other Financing Sources and (Uses)					
Transfer to Special Revenue Local Contribution	(369,514)	(172,051)	(541,565)	(495,197)	46,368
Transfer to Capital Projects		(839,171)	(839,171)	(839,171)	-
Transfer to Debt Service	(458,000)		(458,000)	(458,000)	-
Transfer to Capital Reserve			-	4,030	4,030
Total Other Financing Sources and (Uses)	<u>(827,514)</u>	<u>(1,011,222)</u>	<u>(1,838,736)</u>	<u>(1,788,338)</u>	<u>50,398</u>
Excess (Deficiency) of Revenues Over/(under) Expenditures and Other Financing Sources (Uses)	<u>(1,305,999)</u>	<u>(6,467,768)</u>	<u>(7,773,767)</u>	<u>(3,689,168)</u>	<u>4,084,599</u>
Fund Balance July 1	<u>10,712,226</u>		<u>10,712,226</u>	<u>10,712,226</u>	
Fund Balance June 30	<u>\$ 9,406,227</u>	<u>(6,467,768)</u>	<u>2,938,459</u>	<u>7,023,058</u>	<u>4,084,599</u>

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

Exhibit C-1
Sheet 15 of 15

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Recapitulation:					
Committed Fund Balance:					
Maintenance Reserve				\$ 516,924	
Capital Reserve				1,112,456	
Emergency Reserve				200,000	
Assigned Fund Balance:					
Year End Encumbrances				1,261,779	
Designated For Subsequent Years Expenditures				2,237,000	
Unassigned Fund Balance				1,694,899	
				7,023,058	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				(204,427)	
Fund Balance Per Governmental Funds (GAAP)				\$ 6,818,631	

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

Sheet 1 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND.

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 910,799		910,799	910,799	
Federal Sources	1,731,111		1,731,111	1,731,111	
Local Sources	798,050		798,050	798,050	
Total Revenues	<u>\$ 3,439,960</u>	<u>-</u>	<u>3,439,960</u>	<u>3,439,960</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 655,403		655,403	655,403	
Other Salaries for Instruction	270,686		270,686	270,686	
Purchased Professional and Technical Services	677,421		677,421	677,421	
Other Purchased Services	220,315		220,315	220,315	
General Supplies	228,129		228,129	228,129	
Textbooks	89,896		89,896	89,896	
Other Objects	785,530		785,530	785,530	
Total Instruction	<u>2,927,380</u>	<u>-</u>	<u>2,927,380</u>	<u>2,927,380</u>	<u>-</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

Sheet 2 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Personal Services - Employee Benefits	183,908		183,908	183,908	
Purchased Professional - Educational Services	176,763		176,763	176,763	
Other Purchased Services	24,413		24,413	24,413	
Supplies and Materials	88,030		88,030	88,030	
Other Objects	26,665		26,665	26,665	
Total Support Services	<u>499,779</u>	<u>-</u>	<u>499,779</u>	<u>499,779</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	12,801		12,801	12,801	
Total Facilities Acquisition and Construction Services	<u>12,801</u>	<u>-</u>	<u>12,801</u>	<u>12,801</u>	<u>-</u>
Total Expenditures	<u>\$ 3,439,960</u>	<u>-</u>	<u>3,439,960</u>	<u>3,439,960</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE TOWNSHIP SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 75,778,502	3,439,960
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		183,801
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	208,644	3,030
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(204,427)</u>	<u>(47,348)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 75,782,719</u>	<u>3,579,443</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 77,679,332	3,439,960
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>183,801</u>
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 77,679,332</u>	<u>3,623,761</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

Exhibit L-1

LAST FOUR FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 31,789,555	24,768,344	20,722,846	21,039,735
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 31,789,555</u>	<u>24,768,344</u>	<u>20,722,846</u>	<u>21,039,735</u>
District's Covered-Employee Payroll	\$ 7,239,011	7,316,171	7,501,042	7,645,151
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	22.77%	29.54%	36.20%	36.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	31.20%	38.21%	42.74%	40.71%

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST FOUR FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 999,094	933,333	857,919	897,866
Contributions in Relation to the Contractually Required Contribution	<u>999,094</u>	<u>933,333</u>	<u>857,919</u>	<u>897,866</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 7,239,011	7,316,171	7,501,042	7,645,151
Contributions as a Percentage of Covered-Employee Payroll	13.80%	12.76%	11.44%	11.74%

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST FOUR FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>221,848,042</u>	<u>181,236,438</u>	<u>151,832,317</u>	<u>150,174,286</u>
Total	<u>\$ 221,848,042</u>	<u>181,236,438</u>	<u>151,832,317</u>	<u>150,174,286</u>
District's Covered-Employee Payroll	\$ 27,187,973	27,954,184	28,264,648	28,245,728
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	12.26%	15.42%	18.62%	18.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

LAWRENCE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
TEACHER'S PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Public Employee's Retirement System (PERS)

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate changed from 4.90% as of June 30, 2015, to 3.98% as of June 30, 2016, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016, in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit E-1
Sheet 1 of 3

	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>I.D.E.A. Basic</u>	<u>I.D.E.A. Preschool</u>	<u>PBSIS</u>	<u>Sustainable Jersey</u>	<u>NJ Achievement</u>
Revenues:									
State Sources	\$ -								
Federal Sources	410,244	73,473	35,105	3,414	1,193,986	14,889			
Local Sources							886	1,189	40,754
Total Revenues	\$ 410,244	73,473	35,105	3,414	1,193,986	14,889	886	1,189	40,754
Expenditures:									
Instruction:									
Salaries of Teachers	\$ 219,297		26,050	1,091	52,329				35,000
Other Salaries for Instruction									
Purchased Professional and Technical Svcs.	3,610				300,548				
Other Purchased Services									
General Supplies	63,943		7,062	1,023	33,601	3,902	886	1,189	
Textbooks									
Other Objects					774,007	7,100			
Total Instruction	286,850	-	33,112	2,114	1,160,485	11,002	886	1,189	35,000
Support Services:									
Personnel Services - Employee Benefits	16,768		1,993	84	3,060				2,678
Purchased Professional and Technical Svcs.	85,605	46,149			29,959	3,250			
Other Purchased Services	15,340			1,216					
Supplies and Materials	5,681	4,558			482	637			3,076
Other Objects		22,766							
Total Support Services	123,394	73,473	1,993	1,300	33,501	3,887	-	-	5,754
Facilities Acquisition and Construction Services:									
Instructional Equipment									
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 410,244	73,473	35,105	3,414	1,193,986	14,889	886	1,189	40,754

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit E-1
Sheet 2 of 3

	<u>Non-Public Textbooks</u>	<u>Nursing Services</u>	<u>ESL</u>	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Corrective Speech</u>	<u>Examination & Classification</u>	<u>Security</u>	<u>Supplementary Instruction</u>
Revenues:									
State Sources	89,896	214,592	10,780	61,811	22,668	40,641	137,787	78,428	78,234
Federal Sources									
Local Sources									
Total Revenues	89,896	214,592	10,780	61,811	22,668	40,641	137,787	78,428	78,234
Expenditures:									
Instruction:									
Salaries of Teachers									
Other Salaries for Instruction									
Purchased Professional and Technical Svcs.			10,780	61,811	22,668	40,641	137,787		78,234
Other Purchased Services		214,592							
General Supplies									
Textbooks	89,896								
Other Objects									
Total Instruction	89,896	214,592	10,780	61,811	22,668	40,641	137,787	-	78,234
Support Services:									
Personnel Services - Employee Benefits								9,300	
Purchased Professional/Educational Svcs.									
Other Purchased Services								69,128	
Supplies and Materials									
Other Objects									
Total Support Services	-	-	-	-	-	-	-	78,428	-
Facilities Acquisition and Construction Services:									
Instructional Equipment									
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-
Total Expenditures	89,896	214,592	10,780	61,811	22,668	40,641	137,787	78,428	78,234

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit E-1
Sheet 3 of 3

	Preschool Education	Non-Public Technology	LTEF LIS - LAB F-16	LTEF BMS	Spring LTEF	Fall LTEF	Winter LTEF	Supplemental LTEF		Safety Grant	Asia Grant	Kean	Wildlife	J & J Health	Non-Public Home Instruction	Totals 2017
Revenues:																
State Sources	132,000	40,021													3,941	910,799
Federal Sources																1,731,111
Local Sources	639,007		5,143	48	37,936	41,589	2,608	2,000		12,801	9,051	76	3,764	1,198		798,050
Total Revenues	771,007	40,021	5,143	48	37,936	41,589	2,608	2,000	-	12,801	9,051	76	3,764	1,198	3,941	3,439,960
Expenditures:																
Instruction:																
Salaries of Teachers	320,720		916													655,403
Other Salaries for Instruction	270,686															270,686
Purchased Professional and Technical Svcs.					6,088	8,813		2,000			500				3,941	677,421
Other Purchased Services						5,723										220,315
General Supplies	20,276	40,021		48	28,780	24,718					1,199		283	1,198		228,129
Textbooks																89,896
Other Objects						2,335					2,088					785,530
Total Instruction	611,682	40,021	916	48	34,868	41,589	-	2,000	-	-	3,787	-	283	1,198	3,941	2,927,380
Support Services:																
Personnel Services - Employee Benefits	159,325															183,908
Purchased Professional/Educational Svcs.					2,500											176,763
Other Purchased Services							2,593				5,264					24,413
Supplies and Materials			328		568		15					76	3,481			88,030
Other Objects			3,899													26,665
Total Support Services	159,325	-	4,227	-	3,068	-	2,608	-	-	-	5,264	76	3,481	-	-	499,779
Facilities Acquisition and Construction Services:																
Construction Services										12,801						12,801
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	12,801	-	-	-	-	-	12,801
Total Expenditures	771,007	40,021	5,143	48	37,936	41,589	2,608	2,000	-	12,801	9,051	76	3,764	1,198	3,941	3,439,960

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit E-2

SPECIAL REVENUE FUND

SCHEDULE OF PRESCHOOL EDUCATION AID

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 320,720	320,720	
Other Salaries of Instruction	270,686	270,686	
General Supplies	20,288	20,276	12
Total Instruction	<u>611,694</u>	<u>611,682</u>	<u>12</u>
Support Services:			
Employee Benefits	159,325	159,325	
Total Support Services	<u>159,325</u>	<u>159,325</u>	<u>-</u>
Total Expenditures	<u>\$ 771,019</u>	<u>771,007</u>	<u>12</u>

Calculation of Budget & Carryover

Total Revised 2016-17 Preschool Education Aid Allocation	\$ 132,000
Add: Actual PEA Carryover (June 30, 2017)	20,822
Add: Local Tuition	137,631
Add: Transfer from General Fund Budget	<u>495,197</u>
Total Preschool Education Aid Funds Available for 2016-17 Budget	785,650
Less: 2016-17 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(771,019)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2017	\$ 14,631
Add: June 30, 2017 Unexpended Preschool Education Aid	<u>-</u> <u>12</u>
2016-17 Carryover - Preschool Education Aid Program	<u>\$ 14,643</u>
2016-17 Preschool Education Aid Carryover Budgeted for Preschool Programs 2017-18	<u>\$ 14,643</u>

CAPITAL PROJECTS FUND – F

LAWRENCE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF PROJECT EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2017

<u>Issue/Project Title</u>	<u>Date Approved</u>	<u>Balance June 30, 2016</u>	<u>Transfers</u>	<u>Adjustment Encumbrances</u>	<u>Current Year</u>		<u>Unexpended Balance</u>
					<u>Expended</u>	<u>Encumbered</u>	
Benjamin Franklin-Heating and Ventilating and Chimney	1/6/2014	\$ 9,238	(26,791)	149,473	128,162		3,758
Lawrenceville Elem.-Heating and Ventilating	1/6/2014	5,845	(25,000)	120,609	99,985		1,469
Slackwood-Heating and Ventilating	1/6/2014	9,855	(15,000)	139,335	131,566		2,624
Eldridge Park-Heating and Ventilating	1/6/2014	9,542	(25,000)	140,189	119,874		4,857
Lawrence Intermediate-Heating and Ventilating	1/6/2014	149,226	(100,000)	194,046	202,178		41,094
Lawrence Middle School-Heating and Ventilating	1/6/2014	667,222	290,278	196,095	222,731	883,086	47,778
Lawrence High School-Chimney	1/6/2014	134,277	896,224	91,687	57,394	1,011,453	53,341
		<u>\$ 985,205</u>	<u>994,711</u>	<u>1,031,434</u>	<u>961,890</u>	<u>1,894,539</u>	<u>154,921</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-2

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,AND CHANGES IN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2017Revenues and Other Financing Sources

Transfer from Capital Reserve\Other	\$ 994,711
Total Revenues	<u>994,711</u>

Expenditures

Professional Services	18,835
Construction Services	943,055
Total Expenditures	<u>961,890</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	32,821
---	--------

Other Financing Sources (Uses)

Adjustment for Local Receivable	(25,632)
Total Other Financing Sources (Uses)	<u>(25,632)</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	
---	--

and Other Financing Sources (Uses)	7,189
Fund Balance - Beginning	<u>2,042,271</u>

Fund Balance - Ending	<u>\$ 2,049,460</u>
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LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2A

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISALTERATIONS AND ADDITIONS TO BENJAMIN FRANKLIN CHIMNEY AND HVACFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - EDA Grant	\$ 81,000		81,000	81,000
Bond Proceeds and Transfers	225,258	(13,461)	211,797	211,797
Total Revenues	<u>306,258</u>	<u>(13,461)</u>	<u>292,797</u>	<u>292,797</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	42,269		42,269	42,269
Construction Services	118,609	128,162	246,771	246,771
Total Expenditures	<u>160,878</u>	<u>128,162</u>	<u>289,040</u>	<u>289,040</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 145,380</u>	<u>(141,623)</u>	<u>3,757</u>	<u>3,757</u>
<u>Additional Project Information</u>				
Project Number	2580-070-14-1012-G04			
Grant Date	1/6/14			
Original Authorized Cost	208,000			
Revised Authorized Cost	292,797			
Percentage Increase Over Original Authorized Cost	30%			
Percentage Completion	99%			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2B

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE HVAC AT LAWRENCEVILLE ELEMENTARYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ 52,200		52,200	52,200
Transfer From Capital Reserve	132,060	(18,760)	113,300	113,300
Total Revenues	<u>184,260</u>	<u>(18,760)</u>	<u>165,500</u>	<u>165,500</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	56,223	98,950	155,173	155,173
Professional Technical Services	7,823	1,035	8,858	8,858
Total Expenditures	<u>64,046</u>	<u>99,985</u>	<u>164,031</u>	<u>164,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 120,214</u>	<u>(118,745)</u>	<u>1,469</u>	<u>1,469</u>
<u>Additional Project Information</u>				
Project Number	2580-090-14-1015-G04			
Grant Date	1/6/14			
Original Authorized Cost	\$ 130,500			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 165,500			
Percentage Increase Over Original Authorized Cost	n/a			
Percentage Completion	100%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	6/30/17			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2C

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE HVAC AT SLACKWOOD SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ 66,600		66,600	66,600
Transfer from Capital Reserve	146,293	(7,040)	139,253	139,253
Total Revenues	<u>212,893</u>	<u>(7,040)</u>	<u>205,853</u>	<u>205,853</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	61,710	130,216	191,926	191,926
Professional Technical Services	9,953	1,350	11,303	11,303
Total Expenditures	<u>71,663</u>	<u>131,566</u>	<u>203,229</u>	<u>203,229</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 141,230</u>	<u>(138,606)</u>	<u>2,624</u>	<u>2,624</u>
<u>Additional Project Information</u>				
Project Number	2580-100-14-1016-G04			
Grant Date	1/6/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 166,500			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 205,853			
Percentage Increase Over Original Authorized Cost	n/a			
Percentage Completion	100%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	6/30/17			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2D

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE HVAC AT ELDRIDGE PARK ELEMENTARYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ 44,800		44,800	44,800
Transfer From Capital Reserve	146,840	(19,640)	127,200	127,200
Total Revenues	<u>191,640</u>	<u>(19,640)</u>	<u>172,000</u>	<u>172,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	9,703		9,703	9,703
Construction Services	37,566	119,874	157,440	157,440
Total Expenditures	<u>47,269</u>	<u>119,874</u>	<u>167,143</u>	<u>167,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 144,371</u>	<u>(139,514)</u>	<u>4,857</u>	<u>4,857</u>
<u>Additional Project Information</u>				
Project Number	2580-080-14-1013-G04			
Grant Date	1/6/15			
Original Authorized Cost	\$ 112,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 172,000			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	100%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	6/30/17			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2E

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE HVAC AT LAWRENCE INTERMEDIATEFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ 191,200		191,200	191,200
Transfer from Capital Reserve	263,320	(76,520)	186,800	186,800
Total Revenues	<u>454,520</u>	<u>(76,520)</u>	<u>378,000</u>	<u>378,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	33,020		33,020	33,020
Construction Services	101,708	202,178	303,886	303,886
Total Expenditures	<u>134,728</u>	<u>202,178</u>	<u>336,906</u>	<u>336,906</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 319,792</u>	<u>(278,698)</u>	<u>41,094</u>	<u>41,094</u>

Additional Project Information

Project Number	2580-085-14-1014-G04
Grant Date	1/6/14
Original Authorized Cost	\$ 478,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$ 378,000
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	95%
Original Target Completion Date	12/31/15
Revised Target Completion Date	12/31/17

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2F

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE HVAC AT LAWRENCE MIDDLE SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ 401,600		401,600	401,600
Transfer From Capital Reserve	602,400	290,278	892,678	892,678
Total Revenues	<u>1,004,000</u>	<u>290,278</u>	<u>1,294,278</u>	<u>1,294,278</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	18,628	8,350	26,978	26,978
Other Purchased Professional & Tech Services	1,050	-	1,050	1,050
Construction Services	121,004	214,381	335,385	1,200,828
Total Expenditures	<u>140,682</u>	<u>222,731</u>	<u>363,413</u>	<u>1,228,856</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 863,318</u>	<u>67,547</u>	<u>930,865</u>	<u>65,422</u>
<u>Additional Project Information</u>				
Project Number	2580-050-14-1011-G04			
Grant Date	1/6/14			
Original Authorized Cost	\$ 1,004,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 1,294,278			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	95%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/17			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2G

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE CHIMNEY AT THE LAWRENCE HIGH SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
EDA Grant	\$ 292,431	199,569	492,000	492,000
Transfer From Capital Reserve	370,512	764,790	1,135,302	1,135,302
Total Revenues	<u>662,943</u>	<u>964,359</u>	<u>1,627,302</u>	<u>1,627,302</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	84,211	8,100	92,311	93,111
Construction Services	420,903	49,294	470,197	1,480,850
Total Expenditures	<u>505,114</u>	<u>57,394</u>	<u>562,508</u>	<u>1,573,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 157,829</u>	<u>906,965</u>	<u>1,064,794</u>	<u>53,341</u>
<u>Additional Project Information</u>				
Project Number	2580-040-14-1003-G04			
Grant Date	1/6/14			
Original Authorized Cost	\$ 1,230,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$ 1,627,302			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	90%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/17			

PROPRIETARY FUNDS – G

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDS

JUNE 30, 2017

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Total 2017</u>
<u>Assets</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 139,647	2,205	280	142,132
Accounts Receivable:				
State	933			933
Federal	33,767			33,767
Other	700			700
Inventory	40,834			40,834
Total Current Assets	<u>215,881</u>	<u>2,205</u>	<u>280</u>	<u>218,366</u>
Noncurrent Assets:				
Equipment	761,601			761,601
Accumulated Depreciation	<u>(681,355)</u>			<u>(681,355)</u>
Total Noncurrent Assets	<u>80,246</u>	<u>-</u>	<u>-</u>	<u>80,246</u>
Total Assets	<u>\$ 296,127</u>	<u>2,205</u>	<u>280</u>	<u>298,612</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	\$ 90,704		280	90,984
Total Liabilities	<u>\$ 90,704</u>	<u>-</u>	<u>280</u>	<u>90,984</u>
<u>Net Position</u>				
Investment in Capital Assets	\$ 80,246			80,246
Unrestricted	125,177	2,205		127,382
Total Net Position	<u>\$ 205,423</u>	<u>2,205</u>	<u>-</u>	<u>207,628</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit G-2

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

ENTERPRISE FUNDS

JUNE 30, 2017

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Building Use</u>	<u>Summer</u>	<u>Total 2017</u>
Operating Revenues:						
Local Sources:						
Daily Sales Reimbursable Programs:						
School Lunch Program	\$ 557,840					557,840
Daily Sales Non-Reimbursable Programs	260,714					260,714
Fees		45,739		480	9,525	55,744
Total Operating Revenues	<u>818,554</u>	<u>45,739</u>	<u>-</u>	<u>480</u>	<u>9,525</u>	<u>874,298</u>
Operating Expenses:						
Salaries & Benefits	524,632	32,296		5,266	22,773	584,967
Supplies and Materials	94,417		4,609			99,026
Depreciation	20,685					20,685
Miscellaneous	117,448	41,139				158,587
Cost of Sales - Reimbursable Programs	521,157					521,157
Cost of Sales - Non Reimbursable Programs	178,809					178,809
Management Fee	35,360					35,360
Total Operating Expenses	<u>1,492,508</u>	<u>73,435</u>	<u>4,609</u>	<u>5,266</u>	<u>22,773</u>	<u>1,598,591</u>
Operating Income (Loss)	<u>(673,954)</u>	<u>(27,696)</u>	<u>(4,609)</u>	<u>(4,786)</u>	<u>(13,248)</u>	<u>(724,293)</u>
Non-Operating Revenues:						
State Sources:						
State School Lunch Program	13,565					13,565
Federal Sources:						
National School Lunch Program	417,458					417,458
HHFKA Lunch Program	17,660					17,660
School Breakfast Program	41,376					41,376
Commodities	98,643					98,643
Total Non-Operating Revenues	<u>588,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>588,702</u>
Net Income (Loss)	(85,252)	(27,696)	(4,609)	(4,786)	(13,248)	(135,591)
Adjustment for Fixed Assets	(183,795)					(183,795)
Net Position, July 1	<u>474,470</u>	<u>29,901</u>	<u>4,609</u>	<u>4,786</u>	<u>13,248</u>	<u>527,014</u>
Net Position, June 30	<u>\$ 205,423</u>	<u>2,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,628</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF CASH FLOWS

ENTERPRISE FUNDS

JUNE 30, 2017

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Building Use</u>	<u>Summer</u>	<u>Total 2017</u>
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ (673,954)	(27,696)	(4,609)	(4,786)	(13,248)	(724,293)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities						
Depreciation	20,685					20,685
Commodities	98,643					98,643
Change in Assets and Liabilities						
Decrease/(Increase) in Inventory	(3,636)					(3,636)
(Increase)/Decrease in Accounts Receivable	(1,220)					(1,220)
Increase/(Decrease) in Accounts Payable	17,281		155			17,436
Net Cash Used By Operating Activities	<u>(542,201)</u>	<u>(27,696)</u>	<u>(4,454)</u>	<u>(4,786)</u>	<u>(13,248)</u>	<u>(592,385)</u>
Cash Flows from Noncapital Financing Activities:						
Cash Received From State and Federal Reimbursements	490,059					490,059
Net Cash Provided Noncapital Financing Activities:	<u>490,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>490,059</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(52,142)	(27,696)	(4,454)	(4,786)	(13,248)	(89,078)
Cash and Cash Equivalents, July 1	<u>191,789</u>	<u>29,901</u>	<u>4,734</u>	<u>4,786</u>	<u>13,248</u>	<u>244,458</u>
Cash and Cash Equivalents, June 30	<u>\$ 139,647</u>	<u>2,205</u>	<u>280</u>	<u>-</u>	<u>-</u>	<u>142,132</u>

FIDUCIARY FUND – H

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2017

	<u>Scholarship Fund Non-Expendable Trust Fund</u>	<u>Payroll Agency</u>	<u>Payroll Agency Summer</u>	<u>Student Activity</u>	<u>Summer Savings</u>	<u>Unemployment Compensation Expendable Trust</u>	<u>Total 2017</u>
Assets:							
Cash and Cash Equivalents	\$ 33,969	363,762	2,365	201,138	1,392,043	555,888	2,549,165
Total Assets	<u>33,969</u>	<u>363,762</u>	<u>2,365</u>	<u>201,138</u>	<u>1,392,043</u>	<u>555,888</u>	<u>2,549,165</u>
Liabilities and Fund Balances:							
Liabilities:							
Accrued Salaries - Summer Savings					1,392,043		1,392,043
Payroll Withholdings		363,762					363,762
Due to Student Groups			2,365	201,138			203,503
Total Liabilities		<u>363,762</u>	<u>2,365</u>	<u>201,138</u>	<u>1,392,043</u>	<u>-</u>	<u>1,959,308</u>
Net Position:							
Reserved - Scholarships	33,969						33,969
Reserved - Unemployment Benefits						555,888	555,888
Total Net Position	<u>\$ 33,969</u>					<u>555,888</u>	<u>589,857</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTEXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGESIN FIDUCIARY NET POSITIONJUNE 30, 2017

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 1,450		1,450
Total Additions	<u>1,450</u>	<u>-</u>	<u>1,450</u>
Deductions:			
Scholarship Payments	1,750		1,750
Total Deductions	<u>1,750</u>	<u>-</u>	<u>1,750</u>
Change in Net Position	(300)	-	(300)
Net Position, July 1	<u>34,269</u>	<u>555,888</u>	<u>590,157</u>
Net Position, June 30	<u>\$ 33,969</u>	<u>555,888</u>	<u>589,857</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Elementary Schools</u>				
Benjamin Franklin	\$ 1,706	3,000	3,676	1,030
Eldridge Park	3,614	5,000	5,086	3,528
Lawrenceville	47	7,452	6,303	1,196
Slackwood	2,511	4,453	4,547	2,417
Total Elementary Schools	<u>7,878</u>	<u>19,905</u>	<u>19,612</u>	<u>8,171</u>
<u>Junior High Schools</u>				
Lawrence Intermediate	7,997	16,210	13,901	10,306
Lawrence Middle	45,981	52,919	40,783	58,117
Total Junior High Schools	<u>53,978</u>	<u>69,129</u>	<u>54,684</u>	<u>68,423</u>
<u>Senior High Schools</u>				
Lawrence High	100,216	235,964	211,636	124,544
Total Senior High Schools	<u>100,216</u>	<u>235,964</u>	<u>211,636</u>	<u>124,544</u>
Total - All Schools	<u>\$ 162,072</u>	<u>324,998</u>	<u>285,932</u>	<u>201,138</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Assets:				
Cash and Cash Equivalents	\$ 355,136	48,743,163	48,734,537	363,762
Total Assets	<u>\$ 355,136</u>	<u>48,743,163</u>	<u>48,734,537</u>	<u>363,762</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 355,136	48,743,163	48,734,537	363,762
Total Liabilities	<u>\$ 355,136</u>	<u>48,743,163</u>	<u>48,734,537</u>	<u>363,762</u>

SUMMER SAVINGSSCHEDULE OF RECEIPTS AND DISBURSEMENTS

Exhibit H-5

JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets:				
Cash and Cash Equivalents	\$ 1,317,578	1,392,043	1,317,578	1,392,043
Total Assets	<u>\$ 1,317,578</u>	<u>1,392,043</u>	<u>1,317,578</u>	<u>1,392,043</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 1,317,578	1,392,043	1,317,578	1,392,043
Total Liabilities	<u>\$ 1,317,578</u>	<u>1,392,043</u>	<u>1,317,578</u>	<u>1,392,043</u>

LONG-TERM DEBT – I

LAWRENCE TOWNSHIP SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2017

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
2011 Refunding Issue	3/1/2012	\$18,450,000	3/1/2018	\$ 1,880,000	4.00%	\$ 14,390,000	1,820,000	12,570,000
			3/1/2019	1,955,000				
			3/1/2020	2,035,000				
			3/1/2021	2,120,000				
			3/1/2022	2,230,000				
			3/1/2023	2,350,000				
Pension Refunding	2/15/2003	3,270,000			315,000	315,000	-	
School Improvements	3/23/2007	9,800,237			1,155,000	1,155,000	-	
Solar Energy	6/24/2008	10,508,000	7/15/2017	500,000	4.25%	1,500,000	480,000	1,020,000
			7/15/2018	520,000				
2015 Refunding Issue	11/17/2015	6,435,000	7/15/2019	545,000	4.00%	6,435,000		6,435,000
			7/15/2020	565,000	5.00%			
			7/15/2021	585,000	2.00%			
			7/15/2022	595,000	2.50%			
			7/15/2023	615,000	5.00%			
			7/15/2024	650,000				
			7/15/2025	675,000				
			7/15/2026	710,000				
			7/15/2027	740,000	3.00%			
7/15/2028	755,000							
					<u>\$ 23,795,000</u>	<u>3,770,000</u>	<u>20,025,000</u>	

LAWRENCE TOWNSHIP SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-2

OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2017

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2016</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2017</u>
2014 Equipment	1.20%	\$ 681,600	<u>\$ 349,803</u>	<u>349,803</u>	<u>-</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,063,991		3,063,991	3,063,991	
Miscellaneous	150,000		150,000	153,750	3,750
State Aid	641,651		641,651	641,651	-
Total Revenues	<u>3,855,642</u>	<u>-</u>	<u>3,855,642</u>	<u>3,859,392</u>	<u>3,750</u>
Expenditures:					
Regular Debt Service:					
Interest - Early Retirement on Bonds	8,348		8,348	8,347	1
Interest	973,194		973,194	942,294	30,900
Redemption of Principal	3,770,000		3,770,000	3,770,000	-
Total Regular Debt Service	<u>4,751,542</u>	<u>-</u>	<u>4,751,542</u>	<u>4,720,641</u>	<u>30,901</u>
Total Expenditures	<u>4,751,542</u>	<u>-</u>	<u>4,751,542</u>	<u>4,720,641</u>	<u>30,901</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(895,900)	-	(895,900)	(861,249)	34,651
Other Financing Sources:					
Transfer from Capital Reserve	458,000		458,000	458,000	-
Total Other Financing Sources	<u>458,000</u>	<u>-</u>	<u>458,000</u>	<u>458,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	(437,900)	-	(437,900)	(403,249)	34,651
Fund Balance July 1	<u>452,128</u>		<u>452,128</u>	<u>452,128</u>	
Fund Balance June 30	<u>\$ 14,228</u>	<u>-</u>	<u>14,228</u>	<u>48,879</u>	<u>34,651</u>

STATISTICAL SECTION

(Unaudited)

LAWRENCE TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Invested in Capital Assets, net of related Debt	1 \$ 92,575,068	\$ 92,045,058	\$ 95,336,532	\$ 97,269,226	\$ 96,373,352	\$ 99,526,291	\$ 98,367,381	\$ 98,860,105	\$ 98,558,466	\$ 92,137,355
Restricted	2 \$ 7,199,150	\$ 11,588,588	\$ 11,151,703	\$ 9,271,797	\$ 9,423,775	\$ 9,873,295	\$ 11,051,428	\$ 11,583,512	\$ 12,546,081	\$ 21,920,009
Unrestricted	3 \$ (22,276,615)	\$ (20,964,775)	\$ (20,189,153)	\$ (217,983)	\$ (663,993)	\$ (819,561)	\$ (646,664)	\$ (1,348,744)	\$ (1,400,352)	\$ (692,679)
Total Governmental Activities	\$ 77,497,603	\$ 82,668,871	\$ 86,299,082	\$ 106,323,040	\$ 105,133,134	\$ 108,580,025	\$ 108,772,145	\$ 109,094,873	\$ 109,704,195	\$ 113,364,685
Business Type Activities										
Invested in Capital Assets, net of related Debt	4 \$ 80,246	\$ 284,726	\$ 312,475	\$ 335,697	\$ 372,996	\$ 290,159	\$ 351,612	\$ 385,909	\$ 113,096	\$ 70,000
Unrestricted	5 \$ 127,382	\$ 242,288	\$ 338,313	\$ 432,780	\$ 312,079	\$ 242,448	\$ 557,863	\$ 567,891	\$ 363,590	\$ 425,971
Total Business Type Activities	\$ 207,628	\$ 527,014	\$ 650,788	\$ 768,477	\$ 685,075	\$ 532,607	\$ 909,475	\$ 953,800	\$ 476,686	\$ 495,971
District-wide										
Invested in Capital Assets, net of related Debt	\$ 92,655,314	\$ 92,329,784	\$ 95,649,007	\$ 97,604,923	\$ 96,746,348	\$ 99,816,450	\$ 98,718,993	\$ 98,246,014	\$ 98,671,562	\$ 92,207,355
Restricted	\$ 7,199,150	\$ 11,588,588	\$ 11,151,703	\$ 9,271,797	\$ 9,423,775	\$ 9,873,295	\$ 11,051,428	\$ 11,583,512	\$ 12,546,081	\$ 21,920,009
Unrestricted	\$ (22,149,233)	\$ (20,722,487)	\$ (19,850,840)	\$ 214,797	\$ (351,914)	\$ (577,113)	\$ (88,801)	\$ (780,853)	\$ (1,036,762)	\$ (266,708)
Total District Assets	\$ 77,705,231	\$ 83,195,885	\$ 86,949,870	\$ 107,091,517	\$ 105,818,209	\$ 109,112,632	\$ 109,681,620	\$ 109,048,673	\$ 110,180,881	\$ 113,860,656

Source: Exhibit A-1
from auditors file

LAWRENCE TOWNSHIP BOARD OF EDUCATION

CHANGES IN NET POSITION

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities	\$ 92,273,121	\$ 84,505,022	\$ 76,902,269	\$ 73,519,956	\$ 77,819,707	\$ 72,798,664	\$ 69,894,843	\$ 73,406,804	\$ 72,507,209	\$ 73,351,876
Business Type Activities	\$ 1,598,591	\$ 1,552,765	\$ 1,568,659	\$ 1,349,744	\$ 1,389,631	\$ 1,929,637	\$ 1,514,248	\$ 1,715,265	\$ 1,993,782	\$ 1,874,193
Total District Expenses	\$ 93,871,712	\$ 86,057,787	\$ 78,470,928	\$ 74,869,700	\$ 79,209,338	\$ 74,728,301	\$ 71,409,091	\$ 75,122,069	\$ 74,500,991	\$ 75,226,069
Program Revenues:										
Governmental Activities	\$ 3,188,674	\$ 3,188,674	\$ 3,278,486	\$ 3,069,734	\$ 2,776,664	\$ 3,728,216	\$ 2,866,842	\$ 2,486,880	\$ 2,420,591	\$ 2,858,741
Business Type Activities	\$ 1,423,830	\$ 1,423,830	\$ 1,439,476	\$ 1,433,146	\$ 1,441,723	\$ 1,552,769	\$ 1,445,619	\$ 1,872,470	\$ 1,917,066	\$ 2,010,017
Total District Program Revenues	\$ 4,612,504	\$ 4,612,504	\$ 4,717,962	\$ 4,502,880	\$ 4,218,387	\$ 5,280,985	\$ 4,312,461	\$ 4,359,350	\$ 4,337,657	\$ 4,868,758
Net (Expense):										
Governmental Activities	\$ (88,814,783)	\$ (81,316,348)	\$ (73,623,783)	\$ (70,450,222)	\$ (75,043,043)	\$ (69,070,448)	\$ (67,028,001)	\$ (70,919,924)	\$ (70,086,618)	\$ (70,493,135)
Business Type Activities	\$ (135,591)	\$ (128,935)	\$ (129,183)	\$ 83,402	\$ 52,092	\$ (376,868)	\$ (68,629)	\$ 157,205	\$ (76,716)	\$ 135,824
Total District-wide Net Expense	\$ (88,950,374)	\$ (81,445,283)	\$ (73,752,966)	\$ (70,366,820)	\$ (74,990,951)	\$ (69,447,316)	\$ (67,096,630)	\$ (70,762,719)	\$ (70,163,334)	\$ (70,357,311)
General Revenues and Other Changes in Net Position:										
Governmental Activities	\$ 79,404,988	\$ 77,686,137	\$ 75,596,630	\$ 72,082,217	\$ 105,133,134	\$ 70,974,855	\$ 69,361,737	\$ 69,709,623	\$ 69,908,274	\$ 81,117,133
Business Type Activities	\$ -	\$ -	\$ 11,494	\$ -	\$ 685,075	\$ -	\$ -	\$ -	\$ -	\$ -
Total District-wide	\$ 79,404,988	\$ 77,686,137	\$ 75,608,124	\$ 72,082,217	\$ 105,818,209	\$ 70,974,855	\$ 69,361,737	\$ 69,709,623	\$ 69,908,274	\$ 81,117,133
Change in Net Position:										
Governmental Activities	\$ (9,409,795)	\$ (3,630,211)	\$ 1,972,847	\$ 1,631,995	\$ (3,066,510)	\$ 1,904,407	\$ 2,333,736	\$ (1,210,301)	\$ (178,344)	\$ 10,623,998
Business Type Activities	\$ (135,591)	\$ (128,935)	\$ (117,689)	\$ 83,402	\$ 152,468	\$ (376,868)	\$ (68,629)	\$ 157,205	\$ (76,716)	\$ 135,824
Total District	\$ (9,545,386)	\$ (3,759,146)	\$ 1,855,158	\$ 1,715,397	\$ (2,914,042)	\$ 1,527,539	\$ 2,265,107	\$ (1,053,096)	\$ (255,060)	\$ 10,759,822

Source: Exhibit A-2

LAWRENCE TOWNSHIP BOARD OF EDUCATION

FUND BALANCES, GOVERNMENT FUNDS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund: (Note 11)										
Undesignated prior to Excess Calc.	\$ 1,694,899	\$ 1,615,007	\$ 1,746,175	\$ 1,557,668	\$ 1,626,499	\$ 2,413,906	\$ 2,750,733	\$ 2,173,003	\$ 2,855,091	\$ 2,782,925
Reserved: Excess Surplus From Audited Year	\$ -	\$ -	\$ 181,055	\$ 26,210	\$ 76,872	\$ 1,358,370	\$ 1,283,198	\$ 686,596	\$ 1,578,299	\$ 1,416,348
Total Unreserved Surplus	\$ 1,694,899	\$ 1,615,007	\$ 1,565,120	\$ 1,531,458	\$ 1,549,627	\$ 1,055,536	\$ 1,467,535	\$ 1,486,407	\$ 1,276,792	\$ 1,366,577
All Other Governmental Funds: All funds within Debt Service or Capital Projects are designated into subsequent year's and reserved.										
Unreserved, Reported in:										
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund Balance (I Schedules)	\$ 34,651	\$ 452,128	\$ 50,943	\$ 86,443	\$ 77,610	\$ 262,576	\$ 138,679	\$ 5,169	\$ 204,393	\$ 402,189
Total Reserved for Future Years	\$ 34,651	\$ 452,128	\$ 50,943	\$ 86,443	\$ 77,610	\$ 262,576	\$ 138,679	\$ 5,169	\$ 204,393	\$ 402,189
Undesignated/Unreserved Debt Service Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Government Funds	\$ 1,694,899	\$ 1,615,007	\$ 1,565,120	\$ 1,531,458	\$ 1,549,627	\$ 1,055,536	\$ 1,467,535	\$ 1,486,407	\$ 1,276,792	\$ 1,366,577

Source: Note 11/I Schedules

LAWRENCE TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

J-4

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	\$58,842,789	\$59,207,037	\$59,545,612	\$60,088,709	\$59,370,786	\$59,533,542	\$61,840,279	\$63,050,714	\$65,120,331	\$66,517,999
Tuition charges	54,943	291,377	189,186	17,412	56,516	111,909	132,741	186,659	229,125	18,375
Interest earnings	447,616	149,941	51,247	22,683	1,201	-	11,306	19,516	28,056	27,264
Miscellaneous	821,258	806,503	1,127,236	1,023,981	3,018,275	627,877	722,105	851,196	1,151,741	1,532,690
State sources	12,551,324	10,775,807	9,714,698	7,726,471	9,562,869	11,129,882	10,439,458	11,517,574	12,333,908	13,626,774
Federal sources	756,285	1,138,929	1,568,524	1,979,491	2,701,623	1,799,773	2,006,062	3,215,592	1,981,922	1,701,048
Total revenue	73,474,215	72,369,594	72,196,503	70,858,747	74,711,270	73,202,983	75,151,951	78,841,251	80,845,083	83,424,150
Expenditures										
Instruction										
Regular Instruction	19,010,331	19,086,883	18,774,585	18,057,489	17,477,895	17,843,724	18,169,017	17,890,178	18,833,021	18,995,170
Special education instruction	6,833,356	6,769,761	6,772,301	7,571,356	7,678,549	7,338,411	7,853,030	7,994,040	8,177,757	9,272,441
Other special instruction	1,567,140	1,801,718	1,987,744	1,864,728	2,206,502	2,295,402	2,218,815	2,247,839	2,433,537	2,310,991
Vocational education	-	-	-	-	-	-	-	-	-	-
Other instruction	982,200	995,325	1,142,544	994,128	927,101	924,114	927,623	978,605	1,067,626	1,112,329
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	2,646,006	1,732,886	1,733,529	1,213,944	1,237,966	1,713,687	1,962,968	2,572,120	2,594,912	3,062,061
Student & inst. related services	8,780,319	9,225,042	9,950,046	8,535,215	8,936,218	8,775,552	8,609,435	8,665,016	9,136,800	8,965,151
General administration	628,622	682,475	584,913	698,851	733,687	579,603	640,105	631,209	697,217	790,151
School administrative services	2,408,641	2,465,813	2,479,038	2,173,557	2,260,209	2,092,837	2,042,145	2,124,064	2,165,178	2,187,360
Central services	1,113,838	1,066,718	1,072,353	963,399	1,012,999	974,710	941,046	930,187	989,598	1,001,093
Admin. information technology	540,365	519,076	297,306	285,276	374,414	289,819	317,067	400,957	324,746	436,376
Plant operations and maintenance	6,049,527	6,444,722	6,101,268	6,010,209	5,821,565	6,485,230	6,622,251	7,135,008	7,269,603	7,301,285
Pupil transportation	2,910,590	2,749,294	2,493,136	2,546,224	2,621,435	2,731,067	2,828,880	3,220,869	3,124,802	3,364,525
Other Support Services	-	-	-	-	-	-	-	-	-	-
Employee benefits	15,249,835	13,483,405	14,928,236	14,933,767	15,834,797	16,964,886	15,883,788	16,200,542	17,799,149	18,257,506
Special Schools										
Charter Schools	-	-	-	26,355	10,580	-	18,388	2,093	-	25,362
Capital outlay	3,026,825	10,622,316	341,263	1,682,452	2,928,624	2,110,608	705,085	1,711,854	1,488,261	5,183,182
Debt service:										
Principal	1,805,000	2,805,000	2,490,000	2,880,000	3,060,464	3,200,000	3,343,000	3,065,000	3,195,000	3,770,000
Interest and other charges	1,551,311	1,526,916	2,112,569	1,766,396	1,601,667	1,484,439	1,360,916	1,227,480	1,074,007	950,641
Other: Ed Jobs	-	-	-	-	168,694	-	-	-	-	-
Total expenditures	75,103,906	81,977,350	73,260,831	72,203,346	74,893,366	75,804,089	74,443,559	76,997,061	80,371,214	86,985,624
Excess (Deficiency) of revenues over (under) expenditures	(1,629,691)	(9,607,756)	(1,064,328)	(1,344,599)	(182,096)	(2,601,106)	708,392	1,844,190	473,869	(3,561,474)
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (1,629,691)	\$ (9,607,756)	\$ (1,064,328)	\$ (1,344,599)	\$ (182,096)	\$ (2,601,106)	\$ 708,392	\$ 1,844,190	\$ 473,869	\$ (3,561,474)
Debt service as a percentage of noncapital expenditures	4.66%	6.07%	6.31%	6.59%	6.48%	6.36%	6.38%	5.70%	5.41%	5.77%

Source: District records and Exhibit B 2

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Source: CAFR

LAWRENCE TOWNSHIP BOARD OF EDUCATION

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

UNAUDITED

	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Interest on Capital Reserve</u>	<u>Miscellaneous</u>	<u>Prior Year Refunds</u>	<u>Total</u>
2008	54,943	447,616		93,833	40,243	636,635
2009	291,377	141,157	8,784	140,707	54,282	636,307
2010	189,186	40,599	10,648	80,800	59,105	380,338
2011	17,412	19,217	3,466	270,134	26,172	336,401
2012	56,516	1,148	52	579,593	19,120	656,430
2013	111,909	-	-	207,098	21,607	340,614
2014	132,741	6,676	4,630	253,495	73,053	470,595
2015	186,659	13,839	5,677	201,957	107,755	515,887
2016	229,125	25,092	2,964	213,193	60,864	531,238
2017	156,009	36,695	3,568	141,580	20,903	358,755

Miscellaneous includes: Miscellaneous & Prior Year Refunds

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

Source: District Books and Audit

LAWRENCE TOWNSHIP BOARD OF EDUCATION

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2008	43,404,500	1,616,593,450	15,640,600	627,000	837,686,073	45,244,100	128,828,700	2,688,024,423	394,445,200	3,240,865	2,691,265,288	5,646,846,397	2.193
2009	41,359,900	1,618,650,550	16,365,000	619,500	833,289,973	45,157,200	128,828,700	2,684,270,823	396,344,400	3,859,603	2,688,130,426	5,692,002,118	2.209
2010	41,002,100	1,612,409,550	16,593,500	599,000	759,555,490	43,941,300	125,664,800	2,599,765,740	399,782,400	4,016,970	2,603,782,710	5,366,655,629	2.297
2011	36,642,000	1,593,565,750	17,140,600	588,800	747,939,490	43,259,400	123,664,800	2,562,800,840	399,876,900	3,391,768	2,566,192,608	5,080,067,169	2.328
2012	30,120,300	1,591,230,050	16,385,400	586,100	734,947,890	42,223,150	109,047,700	2,524,540,590	401,229,800	3,302,202	2,527,842,792	5,161,843,015	2.352
2013	28,037,200	1,584,506,950	17,008,500	592,500	720,674,390	37,369,450	109,047,700	2,497,236,690	404,449,800	3,512,279	2,500,748,969	4,930,893,053	2.427
2014	46,576,700	2,786,993,300	31,634,400	675,000	1,425,089,200	73,448,350	213,520,100	4,577,937,050	722,413,854	6,197,824	4,584,134,874	4,714,045,185	1.362
2015	62,789,500	2,785,021,000	29,479,200	664,600	1,369,783,000	68,895,450	212,583,500	4,529,216,250	720,678,404	6,301,334	4,535,517,584	4,820,372,203	1.413
2016	63,119,100	2,786,921,600	29,998,000	661,300	1,354,532,900	64,876,350	212,583,500	4,512,692,750	732,006,004	5,946,618	4,518,639,368	4,992,932,395	1.457
2017	54,621,600	2,786,799,700	29,778,100	666,800	1,370,811,900	64,375,150	212,583,500	4,519,636,750	749,457,304	6,012,079	4,525,648,829	5,024,517,763	1.484

Source: Mercer County Tax Assessor \Ratable Breakdown & Synopsis by Municipality

<http://www.mercercounty.org>

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

/A. At the time of CAFR completion, this data was not yet available

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-7

PROPERTY TAX RATES - DIRECT AND OVERLAPPING

PER \$100 OF ASSESSED VALUATION

Fiscal Year Ended June 30,	Lawrence School District 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	Lawrence Twp.	Open Space Twp.	Mercer County	Library County	Open Space County	
2008	2.075	0.118	2.193	0.710	0.030	0.917	0.063	0.092	4.005
2009	2.123	0.086	2.209	0.720	0.030	0.951	0.063	0.096	4.069
2010	2.233	0.064	2.297	0.780	0.030	0.992	0.041	0.104	4.244
2011	2.255	0.073	2.328	0.840	0.030	0.950	0.105	0.039	4.292
2012	2.273	0.079	2.352	0.891	0.030	1.068	0.108	0.040	4.489
2013	2.340	0.087	2.427	0.940	0.030	1.127	0.114	0.039	4.677
2014	1.311	0.051	1.362	0.527	0.030	0.613	0.062	0.026	2.620
2015	1.355	0.058	1.413	0.527	0.030	0.614	0.059	0.027	2.670
2016	1.391	0.066	1.457	0.527	0.030	0.643	0.062	0.027	2.746
2017	1.418	0.066	1.484	0.527	0.030	0.654	0.064	0.028	2.787

Source: Mercer County Abstract of Ratables

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-8

SCHEDULE OF PRINCIPAL TAXPAYERS

FOR THE YEAR ENDED DECEMBER 31,

	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Bristol-Myers Squibb	\$ 313,610,200	1	6.93%	\$ 201,129,000	1	7.49%
Quakerbridge Mall	\$ 144,600,000	2	3.20%	\$ 90,000,000	2	3.35%
Education Testing Service	\$ 130,995,800	3	2.89%	\$ 66,687,200	5	2.48%
Avalon Properties	\$ 109,849,600	4	2.43%	\$ 70,257,300	4	2.62%
Lenox Driver Office Park	\$ 103,481,500	5	2.29%			
Mercer Mall	\$ 98,129,900	6	2.17%	\$ 45,299,500	6	1.69%
Steward's Crossing	\$ 26,917,200	7	0.59%			
Princeton Pike Office Park	\$ 24,853,200	8	0.55%	\$ 15,375,000	9	0.57%
Yorkshire Village, Inc.	\$ 19,882,200	9	0.44%	\$ 18,222,100	8	0.68%
Macy's	\$ 18,771,300	10	0.41%			
Brandywine Operating Partnership				\$ 77,179,500	3	2.87%
Lawrence Shopping Center				\$ 23,185,000	7	0.86%
River Real Estate				\$ 15,128,400	10	0.56%
Total	\$ 991,090,900		21.90%	\$ 622,463,000		23.17%

Source: Municipal Tax Assessor

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-9

MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 58,842,789	\$ 58,842,789	100.00%	\$ -
2009	59,207,037	59,207,037	100.00%	-
2010	59,545,612	59,545,612	100.00%	-
2011	60,088,709	60,088,709	100.00%	-
2012	59,370,786	59,370,786	100.00%	-
2013	59,533,542	59,533,542	100.00%	-
2014	61,840,279	61,840,279	100.00%	-
2015	63,050,714	63,050,714	100.00%	-
2016	65,120,331	65,120,331	100.00%	-
2017	66,517,999	66,517,999	100.00%	-

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

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

RATIO OF OUTSTANDING DEBT BY TYPE

Fiscal Year Ended June 30,	Governmental Activities			Business Activities		Total Debt Per District	Estimated Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2008	48,700,000	-	-	-	-	48,700,000	31,863	\$ 1,528
2009	45,895,000	-	-	-	-	45,895,000	32,081	\$ 1,431
2010	43,405,000	-	-	-	-	43,405,000	32,081	\$ 1,353
2011	40,525,000	-	-	-	-	40,525,000	33,472	\$ 1,211
2012	36,706,000	-	-	-	-	36,706,000	33,319	\$ 1,102
2013	33,506,000	-	-	-	-	33,506,000	33,472	\$ 1,001
2014	30,163,000	-	-	-	-	30,163,000	33,472	\$ 901
2015	27,098,000	-	521,600	-	-	27,619,600	33,472	\$ 825
2016	23,795,000	-	349,803	-	-	24,144,803	33,472	\$ 721
2017	20,025,000	-	-	-	-	20,025,000	33,472	\$ 598

Source:

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Lawrence Twp</u> <u>Population</u>	<u>Net Assessed</u> <u>Valuation Taxable</u>	<u>Net Bonded</u> <u>Debt of District</u>	<u>Percentage of</u> <u>Taxable Property</u> <u>Value</u>	<u>Net Bonded</u> <u>Debt</u> <u>Per Capita</u>
2008	31,645	\$2,691,265,288	\$ 48,700,000	1.81%	\$1,539
2009	31,660	\$2,688,130,426	\$ 45,895,000	1.71%	\$1,450
2010	33,505	\$2,603,782,710	\$ 43,405,000	1.67%	\$1,295
2011	33,385	\$2,566,192,608	\$ 40,525,000	1.58%	\$1,214
2012	33,369	\$2,527,842,792	\$ 36,706,000	1.45%	\$1,100
2013	33,380	\$2,500,748,969	\$ 33,506,000	1.34%	\$1,004
2014	33,305	\$4,584,134,874	\$ 30,163,000	0.66%	\$906
2015	33,136	\$4,535,517,584	\$ 27,098,000	0.60%	\$818
2016	32,897	\$4,518,639,368	\$ 23,795,000	0.53%	\$723
2017	N/A	\$4,525,648,829	\$ 20,025,000	0.44%	\$0

Source:

New Jersey Department of Labor
Mercer County Abstract of Ratables

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBTUNAUDITED

Direct and Overlapping Governmental Activities Debt

Net Direct Debt of School District as of June 30, 2017 \$ 20,250,000

Net Overlapping Debt of School District:

Lawrence Township \$ 15,349,915

Mercer County - Township's Share \$ 56,302,232

Ewing-Lawrence Sewer Authority - Township's Share \$ 12,734,463

Mercer County Improvement Authority-Township's Share \$ 10,200,942

Total Direct and Overlapping Bonded Debt as of June 30, 2017 \$ 114,837,552

Source:

Mercer County Finance Department

Ewing Lawrence Sewer Authority

Mercer County Improvement Authority

Township Of Lawrence

LAWRENCE TOWNSHIP BOARD OF EDUCATION

COMPUTATION OF LEGAL DEBT MARGIN

	Year	Equalized Valuation Basis
	2017	\$4,992,898,491
	2016	\$4,987,841,424
	2015	\$4,848,525,992
Sum of values for three years	[A]	\$14,829,265,907
Average 3 years Equalized Valuation of Taxable Property	[A]/3	\$4,943,088,636
Debt limit (4% of average equalization value)	[B]	\$ 197,723,545
Total Net Debt Applicable to Limit	[C]	\$ 20,025,000
Legal Debt Margin	[B-C]	\$ 177,698,545

NJSA: 18A: 24-19

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$200,755,188	\$217,891,611	\$224,031,543	\$217,357,597	\$211,279,381	\$203,923,919	\$199,452,374	\$194,601,567	\$195,009,222	\$197,723,545
Total net debt applicable to limit	48,700,000	45,895,000	43,405,000	40,525,000	39,766,000	36,706,000	30,163,000	27,098,000	23,795,000	20,025,000
Legal debt margin	\$ 152,055,188	\$ 171,996,611	\$ 180,626,543	\$ 176,832,597	\$ 171,513,381	\$ 167,217,919	\$ 169,289,374	\$ 167,503,567	\$ 171,214,222	\$ 177,698,545
Total net debt applicable to the limit as a percentage of debt limit	24.26%	21.06%	19.37%	18.64%	18.82%	18.00%	15.12%	13.92%	12.20%	10.13%

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 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC STATISTICS

<u>Year Ended December 31,</u>	<u>Lawrence Township Population</u>	<u>Totoal Personal Income</u>	<u>Lawrence Twp. Per Capita Income</u>	<u>Lawrence Township Unemployment Rate</u>
2007	31,863	NA		2.7%
2008	31,645	1,409,911,330	44,554	3.8%
2009	31,660	1,294,482,420	40,887	6.6%
2010	33,505	1,445,271,680	43,136	6.3%
2011	33,385	1,378,032,645	41,277	6.1%
2012	33,369	1,363,023,543	40,847	6.2%
2013	33,380	1,340,507,420	40,159	5.6%
2014	33,305	1,372,932,015	41,223	4.4%
2015	33,136	1,311,158,384	39,569	3.6%
2016	32,897	N/A	N/A	2.4%

N/A= Data is not available at the time of the CAFR Filing

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 municipality estimated based upon the 2000 Census published by the US Bureau of Econom

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

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

OPERATING STATISTICS

PRINCIPAL EMPLOYERS

J-15

No Data Available

LAWRENCE TOWNSHIP BOARD OF EDUCATIONFULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAMLAST TEN FISCAL YEARSUNAUDITED

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Regular	297	286	291	281	285	283	282	275	269	273
Special Education	63	66	64	64	105	105	106	113	107	128
Other Special Education	-	-	-	-						
Vocational	-	-	-	-						
Other Instruction	-	-	-	-	1	1	1	1	1	1
Nonpublic school programs	-	-	-	-						
Adult/continuing education programs	-	-	-	-						
Student & instruction related services	63	60	66	61	121	109	110	110	115	113
General administration	4	4	4	4	3	3	3	3	3	3
School administrative services	13	13	13	12	23	23	23	22	23	23
Central Services	47	45	23	23	12	12	11	11	14	14
Admin. Information Technology	9	9	12	12	3	3	3	3	4	4
Plant operations & maintenance	53	52	52	48	68	71	68	65	82	80
Pupil Transportation	3	5	3	5	7	8	8	11	10	14
Other support services	104	95	110	112 *						
	-	-	-	-						
	1	1	1	1		1	2	2	2	2
	-	-	-	-						
	657	636	639	623	628	619	616	616	630	655

Source: District Personnel Records

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

OPERATING STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
2008	60,500,474	\$15,461	3.41%	3,913	3,738	95.5%
2009	62,092,862	\$15,952	3.07%	3,893	3,709	95.3%
2010	64,583,074	\$16,444	2.99%	3,927	3,754	95.6%
2011	60,569,823	\$15,320	-7.34%	3,954	3,790	95.9%
2012	62,696,481	\$15,665	2.20%	4,002	3,845	96.1%
2013	64,318,588	\$15,980	1.97%	4,025	3,852	95.7%
2014	64,677,005	\$16,129	0.92%	4,010	3,834	95.6%
2015	65,966,114	\$16,566	2.64%	3,982	3,814	95.8%
2016	65,669,461	\$16,761	1.16%	3,918	3,752	95.8%
2017	71,697,695	\$18,417	8.99%	3,893	3,717	95.5%

Notes:

Enrollment based on annual final reported attendance figures

"Operating Expenditures" are reported on a Budgetary Basis.

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION

SCHEDULE OF REQUIRED MAINTENANCE

LAST TEN FISCAL YEARS

J-18 & J-19

<u>SCHOOL:</u>	<u>Sq. Ft.</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
LAWRENCE HIGH SCHOOL	240,388	\$ 224,297	199,589	172,356	173,741	172,269	401,138	255,144	282,968	330,582	368,996
LAWRENCE MIDDLE SCHOOL	86,123	\$ 27,537	51,555	89,464	141,461	79,251	284,165	321,354	306,114	166,145	203,090
BEN FRANKLIN	62,829	\$ 20,280	33,869	25,168	37,680	47,618	42,879	70,098	93,433	81,556	214,121
ELDRIDGE PARK	34,673	\$ 47,677	55,030	25,987	30,863	32,740	42,174	66,340	72,480	168,498	76,218
LAWRENCE INTERMEDIATE	100,742	\$ 37,009	48,241	33,954	37,126	80,898	115,682	88,510	197,306	143,906	108,663
LAWRENCEVILLE ELEMENTARY	51,684	\$ 13,678	109,904	54,322	31,341	79,644	112,832	42,287	109,226	100,881	122,753
SLACKWOOD ELEMENTARY	43,518	\$ 17,466	55,800	33,338	51,240	52,159	88,974	93,132	77,918	119,774	127,414
	619,957	\$ 387,944	\$ 553,987	\$ 434,589	\$ 503,453	\$ 544,579	1,087,844	936,864	1,139,445	1,111,342	1,221,255

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

INSURANCE SCHEDULEJUNE 30, 2016

<u>Multi Peril Package Policy</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Company</u>
<u>Property</u>			
Blanket Building & Contents	154,895,381	5,000	NJSIG
Extra Expense	50,000,000		
Musical instruments(included in blanket bldg & contents included			
Miscellaneous Equip (included in blanket bldg & content included			
Computer Equipment (Included in Blanket Bldg & Conte included			
Demolition /Incr. Cost of Construction			
<u>Energy Systems</u>	154,895,381		NJSIG
Spoilage	500,000		
<u>Commercial Liability</u>			NJSIG
Bodily Injury /Property Damage	11,000,000		
Fire Damage (Legal)	11,000,000		
Employee Benefits Liability	11,000,000		
Medical Expense	5,000/10,000		
<u>Crime</u>			NJSIG
Money & Securities	50,000		
Employee Dishonesty	1,000,000		
<u>Business Auto</u>			NJSIG
Bodily Injury & Property Damage	11,000,000		
Personal Injury Protection	Yes		
Medical Payments	10,000		
Uninsured/Underinsured	1,000,000		
Garagekeepers	1,000,000		
<u>School Board Legal Liability</u>			NJSIG
Section "A"	11,000,000		
Section "B"	100,000/300,000		
Deductible	15,000		
<u>Catastrophe Excess</u>			Fireman's Fund
Limit of Liability	50,000,000		
<u>Workers Compensation Policy</u>			NJSIG
Section "A"	Statutory		
Section "B"			
Each Accident	2,000,000		
Each Employee	2,000,000		
<u>Supplemental W/C</u>			NJSIG
Maximum Benefits	1750 PER WEEK		
<u>Student Accident</u>			Bolinger
Compulsory(including Athletics)	5,000,000		
<u>Bonds</u>			Selective
Treasurer of School Monies	375,000		
Business Administrator	375,000		
<u>Environmental Impairment Liability</u>			
Occurrence/Aggregate	1,000,000		Beazley
Deductible	10,000		

SINGLE AUDIT SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1969-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

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

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

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lawrence Township Board of Education, County of Mercer, State of New Jersey as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Lawrence Township Board of Education, County of Mercer, State of New Jersey's basic financial statements, and have issued our report thereon dated November 20, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

November 20, 2017

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

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

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

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

K-2

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's major state programs for the year ended June 30, 2017. The Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Lawrence Township School District, County of Mercer, and State of New Jersey's internal control over compliance.

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

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

November 20, 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 C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustment	Balance at June 30, 2017					
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor at			
U.S. Department of Education:																		
General Fund																		
Medical Assistance Program(SEMI)	93.778	1705NJ5MAP	N/A	65,053	7/1/2016	6/30/2017	\$ -		65,053	(65,053)								
U.S. Department of Education:																		
Passed Through State Department of Education:																		
Special Revenue Fund:																		
Title I	84.010A	S010A150030	NCLB16	396,163	9/1/2015	8/31/2016	(96,087)		96,087									
Title I	84.010A	S010A160030	NCLB17	447,576	9/1/2016	8/31/2017			358,716	(410,244)				(51,528)				
Title II A	84.367A	S367A150029	NCLB16	68,749	9/1/2015	8/31/2016	(2,869)		2,869									
Title II A	84.367A	S367A160029	NCLB17	96,108	9/1/2016	8/31/2017			62,276	(73,473)				(11,197)				
Title III	84.365A	S365A160030	NCLB17	50,800	9/1/2016	8/31/2017			26,886	(35,105)				(8,219)				
Title III Immigrant	84.365A	S365A150030	NCLB16	20,927	9/1/2015	8/31/2016	(1,664)		1,664									
Title III Immigrant	84.365A	S365A160030	NCLB17	28,374	9/1/2016	8/31/2017			3,329	(3,414)				(85)				
Special Education Cluster:																		
IDEA Basic	84.027	H027A150100	IDEA16	1,388,908	9/1/2015	8/31/2016	(126,105)		126,105									
IDEA Basic	84.027	H027A160100	IDEA17	1,530,643	9/1/2016	8/31/2017			947,352	(1,193,986)				(246,634)				
IDEA Preschool	84.173	H173A150114	IDEA16	40,556	9/1/2015	8/31/2016	(16,310)		16,310									
IDEA Preschool	84.173	H173A160114	IDEA17	52,488	9/1/2016	8/31/2017			13,222	(14,889)				(1,667)				
Total U.S. Department of Education																		
							(243,035)	-	1,654,816	(1,751,111)	-	-	(319,330)	-	-			
U.S. Department of Agriculture - Passed Through State Department of Education:																		
Child Nutrition Cluster:																		
National School Lunch Program	10.555	16161NJ304N1099	N/A	423,351	7/1/2015	6/30/2016	(29,359)		29,359									
National School Lunch Program	10.555	171NJ304N1099	N/A	417,457	7/1/2016	6/30/2017			390,181	(417,457)				(27,276)				
HHFKA	10.555	171NJ304N1099	N/A	17,660	7/1/2016	6/30/2017			16,434	(17,660)				(1,226)				
HHFKA	10.555	16161NJ304N1099	N/A	18,056	7/1/2015	6/30/2016	(1,280)		1,280									
School Breakfast Program	10.553	16161NJ304N1099	N/A	33,726	7/1/2015	6/30/2016	(2,558)		2,558									
School Breakfast Program	10.553	171NJ304N1099	N/A	41,376	7/1/2016	6/30/2017			36,112	(41,376)				(5,264)				
Food Distribution Program	10.550	171NJ304N1099	N/A	98,643	7/1/2016	6/30/2017			98,643	(98,643)								
Total U.S. Dept. of Agriculture																		
							(33,197)	-	574,567	(575,136)	-	-	(33,766)	-	-			
Total Federal Financial Assistance																		
							\$ (276,232)	-	2,294,436	(2,371,300)	-	-	(353,096)	-	-			

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Schedule B
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FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grant/Program State Department of	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2017	Deferred Revenue	Due to Grantor at June 30, 2017	MEMO			
			From	To	Deferred Revenue (Accts. Receivable)	Due To Grantor									Budgetary Receivable	Total Cumulative Expenditures		
Education:																		
General Fund:																		
Special Education Aid	17-495-034-5120-089	\$ 2,323,116	7/1/2016	6/30/17	\$ -			2,188,194	(2,323,116)							(134,922)	2,323,116	
Security Aid	17-495-034-5120-084	421,512	7/1/2016	6/30/17				396,981	(421,512)							(24,531)	421,512	
Transportation Aid	17-495-034-5120-014	653,820	7/1/2016	6/30/17				615,797	(653,820)							(38,023)	653,820	
PARCC Readiness Aid	17-495-034-5120-098	40,410	7/1/2016	6/30/17				38,059	(40,410)							(2,351)	40,410	
Per Pupil Growth Aid	17-495-034-5120-097	40,410	7/1/2016	6/30/17				38,059	(40,410)							(2,351)	40,410	
Professional Learning Community Aid	17-495-034-5120-101	39,090	7/1/2016	6/30/17				36,841	(39,090)							(2,249)	39,090	
Extraordinary Aid	17-495-034-5120-044	404,749	7/1/2016	6/30/17					(404,749)			(404,749)					404,749	
Extraordinary Aid	16-495-034-5120-044	305,897	7/1/2015	6/30/16	(305,897)			305,897										
Transportation Cost in Excess	16-495-034-5120-014	66,412	7/1/2015	6/30/16	(66,412)			66,412										
Transportation Cost in Excess	17-495-034-5120-014	52,777	7/1/2016	6/30/17					(52,777)			(52,777)					52,777	
Reimbursed TPAF Pension Fund	17-100-034-5095-002	5,609,242	7/1/2016	6/30/17				5,609,242	(5,609,242)								5,609,242	
Reimbursed Social Security Aid	16-100-034-5095-003	2,202,825	7/1/2015	6/30/16	(105,673)			105,673										
Reimbursed Social Security Aid	17-100-034-5095-003	2,164,763	7/1/2016	6/30/17				2,058,155	(2,164,763)			(106,608)					2,164,763	
Total General Fund					(477,982)			11,459,310	(11,749,889)			(564,134)				(204,427)	11,749,889	
Special Revenue:																		
Preschool Education	17-495-034-5120-086	132,000	7/1/2016	6/30/17				84,652	(132,000)								(47,348)	132,000
N.J. Nonpublic Aid:																		
Textbooks	16-100-034-5120-064	89,705	7/1/2015	6/30/16		900				(900)								
Textbooks	17-100-034-5120-064	106,058	7/1/2016	6/30/17				106,058	(89,896)					16,162			89,896	
Nursing Services	16-100-034-5120-070	246,420	7/1/2015	6/30/16		40,231				(40,231)								
Nursing Services	17-100-034-5120-070	245,700	7/1/2016	6/30/17				245,700	(214,592)					31,108			214,592	
Technology	17-100-034-5120-373	47,840	7/1/2016	6/30/17				47,840	(40,021)					7,819			40,021	
Technology	16-100-034-5120-373	40,846	7/1/2015	6/30/16		614				(614)								
Security	16-100-034-5120-084	68,450	7/1/2015	6/30/16		25,616				(25,616)								
Security	17-100-034-5120-084	136,500	7/1/2016	6/30/17				136,500	(78,428)					58,072			78,428	
English as a Second Language	17-100-034-5120-067	10,871	7/1/2016	6/30/17				10,871	(10,780)					91			10,780	
Compensatory Education	16-100-034-5120-067	78,681	7/1/2015	6/30/16		22,843				(22,843)								
Compensatory Education	17-100-034-5120-067	72,560	7/1/2016	6/30/17				72,560	(61,811)					10,749			61,811	
Transportation	17-100-034-5120-067	22,668	7/1/2016	6/30/17				22,668	(22,668)								22,668	
Home Instruction	16-100-034-5120-067	2,631	7/1/2015	6/30/16	(2,631)			2,631										
Home Instruction	17-100-034-5120-067	3,941	7/1/2016	6/30/17					(3,941)			(3,941)					3,941	
Exam. and Class.	17-100-034-5120-066	139,232	7/1/2016	6/30/17				139,232	(137,787)					1,445			137,787	
Exam. and Class.	16-100-034-5120-066	145,331	7/1/2015	6/30/16		20,282				(20,282)								
Corrective Speech	17-100-034-5120-066	40,641	7/1/2016	6/30/17				40,641	(40,641)								40,641	
Supplementary Instruction	16-100-034-5120-066	66,831	7/1/2015	6/30/16		22,574				(22,574)								
Supplementary Instruction	17-100-034-5120-066	78,234	7/1/2016	6/30/17				78,234	(78,234)								78,234	
Total Special Revenue Fund					(2,631)	133,060		987,587	(910,799)			(3,941)		125,446		(47,348)	910,799	
Capital Projects:																		
State Grant Ben Franklin Chimney/HVAC	2580-070-14-1012-G04	81,000	1/6/2014	6/30/16	(81,000)			32,400				(48,600)						
State Grant Lawrenceville Elementary HVAC	2580-090-14-1015-G04	52,200	1/6/2014	6/30/16	(52,200)							(52,200)						
State Grant Slackwood HVAC	2580-100-14-1016-G04	66,600	1/6/2014	6/30/16	(66,600)							(66,600)						
State Grant Eldridge Park HVAC	2580-080-14-1013-G04	44,800	1/6/2014	6/30/16	(44,800)							(44,800)						
State Grant Lawrence Intermediate HVAC	2580-085-14-1014-G04	191,200	1/6/2014	6/30/16	(191,200)			40,000				(151,200)						
State Grant Lawrence Middle HVAC	2580-030-14-1011-G04	401,600	1/6/2014	6/30/16	(401,600)							(401,600)						
State Grant Lawrence High HVAC	2580-040-14-1003-G04	492,000	1/6/2014	6/30/16	(292,431)			48,905	(199,569)			(443,095)					(199,569)	
Total Capital Projects					(1,129,831)			121,305	(199,569)			(1,208,095)					(199,569)	
Debt Service:																		
Debt Service Aid Type II	17-495-034-5120-125	641,651	7/1/2016	6/30/17				641,651	(641,651)									641,651
State Department of Agriculture																		
Enterprise Fund:																		
National School Lunch Program:																		
State Share	17-100-010-3350-023	13,563	7/1/2016	6/30/17				12,633	(13,563)			(932)					932	
State Share	16-100-010-3350-023	14,340	7/1/2015	6/30/16	(983)			983										
Total Enterprise Fund					(983)			13,616	(13,563)			(932)					932	
Total State Financial Assistance					\$ (1,611,427)	133,060		13,223,469	(13,515,473)			(133,060)		125,446		(251,775)	13,103,702	
Less on behalf TPAF Pension System Contributions									\$ (5,609,242)									
Total For State Financial Assistance-Major Program Determination									\$ (7,906,231)									

BOARD OF EDUCATION

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LAWRENCE TOWNSHIP SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2017****NOTE 1: General**

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

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>						
Actual Amounts (Budgetary)						
“Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 11,749,889	910,799	199,569	641,651	13,565	13,515,473
Difference – Budget to “GAAP”						
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized		161,937				161,937
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>7,247</u>	<u>(44,318)</u>				<u>(37,071)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 11,757,136</u>	<u>1,028,418</u>	<u>199,569</u>	<u>641,651</u>	<u>13,565</u>	<u>13,640,339</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 65,053	1,731,111		575,136	2,371,300
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	(95,116)	_____	_____	(95,116)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 65,053</u>	<u>1,635,995</u>	_____	<u>575,136</u>	<u>2,276,184</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2016. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Part I - Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

(D) Dollar threshold used to determine Typed A programs:	<u>\$750,000</u>
(E) Auditee qualified as low-risk auditee?	<u> x </u> Yes _____ No
(F) Type of auditor's report on compliance for major programs:	<u>Unmodified</u>
(G) Internal control over compliance:	
1) Material weakness(es) identified?	_____ Yes <u> x </u> No
2) Were reportable condition(s) identified that were not considered to material weaknesses?	_____ Yes <u> x </u> No
(H) Any audit findings disclosed that are required to be reported Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards 2 CFR 200	_____ Yes <u> x </u> No

(I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>I.D.E.A. Part B (Special Education Cluster)</u>
<u>84.173</u>	<u>I.D.E.A. Preschool (Special Education Cluster)</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Part 1 - Summary of Auditor's Results (Continued)

State Awards Section

(J) Dollar threshold used to determine Type A programs: \$750,000

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

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

(M) Internal control over compliance:

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

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

(N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08? Yes x No

(O) Identification of major programs:

GMIS Number(s)

17-495-034-5120-014
17-495-034-5120-084
17-495-034-5120-089
17-495-034-5120-098
17-495-034-5120-097
17-495-034-5120-101
17-495-034-5095-002

Name of State Program

Transportation Aid (State Aid Public Cluster)
Security Aid (State Aid Public Cluster)
Special Education Aid (State Aid Public Cluster)
PARCC Readiness Aid (State Aid Public Cluster)
Per Pupil Growth Aid (State Aid Public Cluster)
Professional Learning Community Aid (Public Cluster)
Reimbursed Social Security

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017*Part 2 - Schedule of Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

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

FEDERAL AWARDS

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICTSUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Prior Audit Findings:

None