

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, 2018

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

LAWRENCE TOWNSHIP BOARD OF EDUCATION

LAWRENCE TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PREPARED BY

**LAWRENCE TOWNSHIP BOARD OF EDUCATION
FINANCE DEPARTMENT**

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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INTRODUCTORY SECTION



LAWRENCE TOWNSHIP PUBLIC SCHOOLS

Business Office

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

Tom Eldridge
*Business Administrator
Board Secretary*

November 19, 2018

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, 2018, 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.

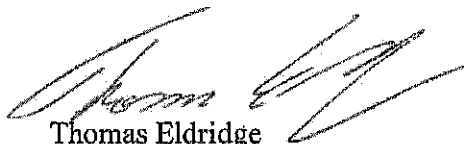
The Comprehensive Annual Financial Report summarizes the financial activity of the district as a financial reporting entity. The primary purpose of the reporting entity is to provide a full range of educational services appropriate to grade levels Pre-K through 12 including both special and regular educational 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,



Ross Kasun, Ed.D.
Superintendent of Schools



Thomas Eldridge
Business Administrator/Board Secretary

ROSTER OF OFFICIALS

2018

Members:	Position	Date Elected	Term Begins	Term Ends
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
Michele Bowes	Member	November 7, 2017	January 2018	January 2021
Kelly Edelstein	Member	November 7, 2017	January 2018	January 2021
Max Ramos	Member	November 7, 2017	January 2018	January 2018
Dana Drake	Member	Appointed February 14, 2018	February 2018	January 2019
Professionals:	Position	Appointed	Term Begins	Term Ends
Andrew Zuckerman	Acting Superintendent	March 26, 2018	April 2, 2018	June 30, 2018
Crystal Edwards	Superintendent	May 15, 2015	July 1, 2015	March 31, 2018
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 7, 2017			
Candidates (3 year term):	Votes:			
Michele Bowes	4,068			
Kelly Edelstein	3,894			
Jose "Max" Ramos	3,053			
Dana Drake	3,016			
Glenn Collins	2,191			

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

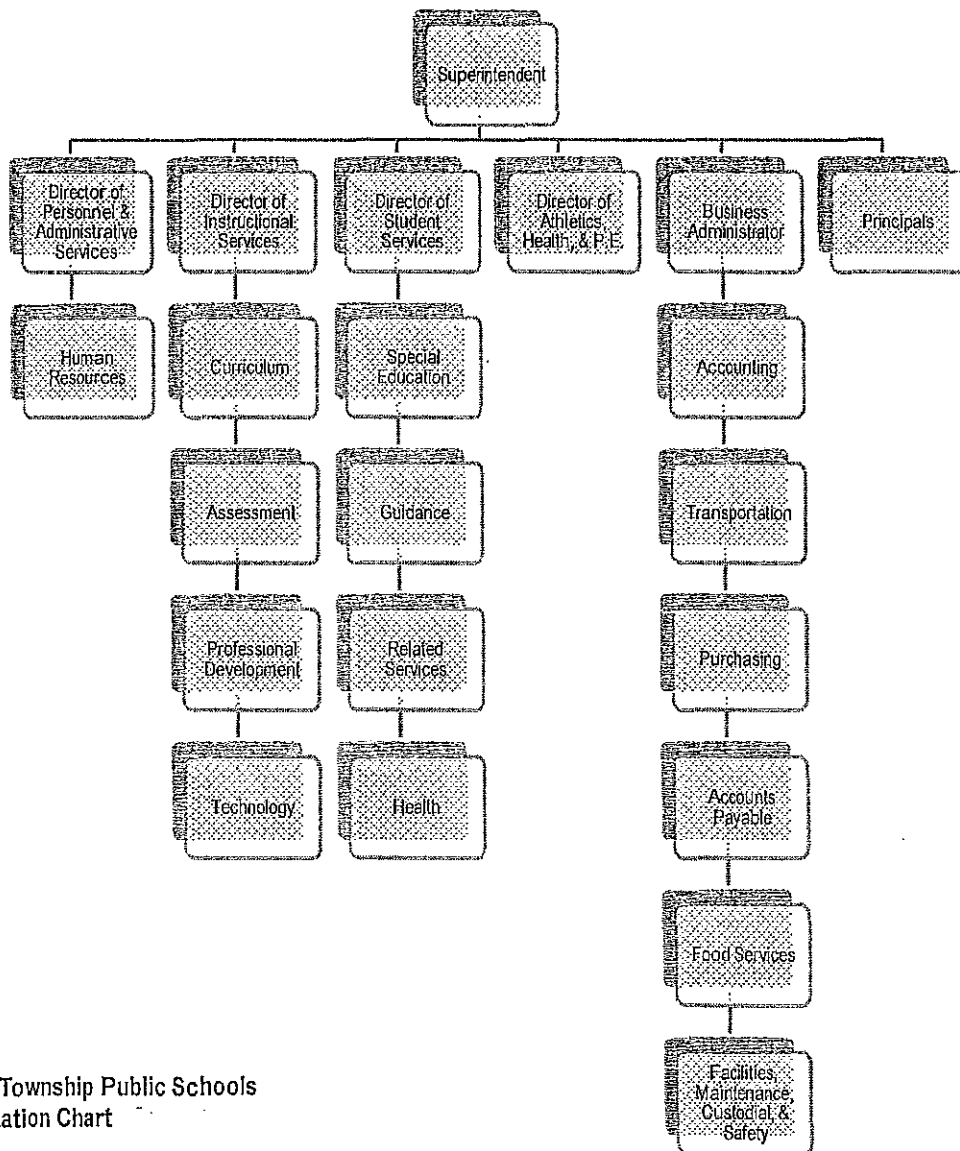
Parker McCay
3840 Quakerbridge Road
Suite 200
Hamilton, New Jersey 08619

Official Depositories

TD Bank

Berkshire Bank

ORGANIZATIONAL CHART



Lawrence Township Public Schools
Organization Chart



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

6.

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.

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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, 2018, 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, 2018, 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.

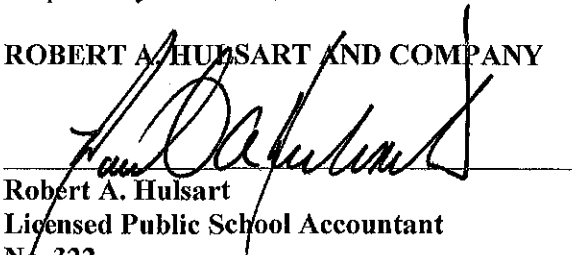
The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal 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 19, 2018 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 19, 2018

REQUIRED SUPPLEMENTARY INFORMATION
PART I

LAWRENCE TOWNSHIP PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018. 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, and 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.

A. A brief discussion of basic financial statements:

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 \$77,705,231 in the pre-audit year to \$71,708,062 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 \$77,705,231 in the pre-audit year to \$71,708,062 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 \$7041,534. 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.

B. Condensed financial information:

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.

B-1. District Wide Financial Statement: Total Assets and Liabilities and Net Position

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	2018 Total Governmental Funds	2017 Total Governmental Funds
Assets						
Cash and Cash Equivalents-Restricted	\$ 5,780,428	291,276	308,371	105,492	6,485,567	6,448,651
Cash and Cash Equivalents-Unrestricted	1,145,820				1,145,820	940,821
Receivables, Net	580,480	665,237	42,140		1,287,857	2,127,290
Interfund Receivable	710,000				710,000	1,309,434
Total Assets	\$ 8,216,728	956,513	350,511	105,492	9,629,244	10,826,196
Liabilities and Fund Balance						
Liabilities:						
Accounts Payable	\$ 1,162,489	526,208			1,688,697	465,180
Interfund Payable		250,000	460,000		710,000	1,309,434
Deferred Revenue		189,013			189,013	181,960
Total Liabilities	1,162,489	965,221	460,000	-	2,587,710	1,956,574
Fund Balance:						
Restricted for:						
Committed To:						
Maintenance Reserve	448,046				448,046	516,924
Emergency Reserve	200,000				200,000	200,000
Capital Reserve Account	1,852,863				1,852,863	1,112,456
Assigned To:						
Other Purposes	1,809,519				1,809,519	3,156,318
Capital Reserve - Designated for Subsequent						
Years Expenditures	400,000				400,000	-
Designated By The BOE for Subsequent						
Years Expenditures	1,070,000				1,070,000	2,237,000
Capital Projects Fund			(109,489)		(109,489)	154,921
Debt Service Fund				105,492	105,492	48,879
Unassigned:						
Special Revenue Fund		(8,708)			(8,708)	(47,348)
General Fund	1,273,811		-		1,273,811	1,490,472
Total Fund Balances	7,054,239	(8,708)	(109,489)	105,492	7,041,534	8,869,622
Total Liabilities and Fund Balance	\$ 8,216,728	956,513	350,511	105,492	-	-
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 \$158,944,560 and the accumulated depreciation is \$52,408,552.					106,536,008	112,600,068
Accrued Interest					(284,707)	(318,232)
Deferred outflow of resources - contributions to the pension plan					7,270,387	9,448,410
Deferred inflow of resources - acquisition of assets applicable to future reporting periods					(5,502,037)	(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					(43,752,078)	(52,569,772)
Net Position of governmental activities					\$ 71,309,107	\$ 77,497,603

B-2. District Wide Financial Statement: Program Revenue, Expenditures, and Fund Balance

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	2018	2017
					Total Governmental Funds	Total Governmental Funds
Revenues						
Local Sources:						
Local Tax Levy	\$ 64,936,030			2,894,161	67,830,191	66,517,999
Tuition Charges	20,632				20,632	18,378
Miscellaneous	448,502	753,844		101,741	1,304,087	1,559,954
Total Local Sources	65,405,164	753,844	-	2,995,902	69,154,910	68,096,331
State Sources	13,101,579	1,030,322		267,480	14,399,381	13,626,774
Federal Sources	33,656	1,956,230			1,989,886	1,701,048
Total Revenues	78,540,399	3,740,396	-	3,263,382	85,544,177	83,424,153
Expenditures						
Current:						
Regular Instruction	20,078,475	3,115,722			23,194,197	18,995,170
Special Education Instruction	6,545,119	412,909			6,958,028	9,272,441
Other Special Instruction	473,453				473,453	2,310,991
Other Instruction	2,876,178				2,876,178	1,112,329
Support Services and Undistributed Costs:						
Tuition	3,511,834				3,511,834	3,062,061
Student and Instruction Related Services	8,750,102				8,750,102	8,965,151
General Administrative Services	683,731				683,731	790,151
Other Administrative Services	3,655,570				3,655,570	3,624,829
Plant Operations and Maintenance	6,942,111				6,942,111	7,301,285
Pupil Transportation	3,698,805				3,698,805	3,364,525
Unallocated Benefits	20,228,816				20,228,816	18,257,506
Transfer of Funds to Charter Schools	10,493				10,493	25,362
Debt Service:						
Principal				2,380,000	2,380,000	3,770,000
Interest and Other Charges				826,769	826,769	950,641
Capital Outlay	996,305	173,125	135,163		1,304,593	5,183,182
Total Expenditures	78,450,992	3,701,756	135,163	3,206,769	85,494,680	86,985,624
Excess (Deficiency) of Revenues Over Expenditures	89,407	38,640	(135,163)	56,613	49,497	(3,561,471)
Other Financing Sources (Uses):						
Transfers out						(44,029)
Adjustment to Prior Years Overpayment	(1,896)				(1,896)	
Capital Projects to Capital Reserve	131,464		(131,464)		-	4,030
Cancel Accounts Payable	16,633				16,633	
Cancel Accounts Receivable			(1,165,955)		(1,165,955)	(25,632)
Contribution to Special Revenue						(495,197)
Adjustment for Prior Year Encumbrances			(726,367)		(726,367)	
Total Other Financing Sources (Uses)	146,201	-	(2,023,786)	-	(1,877,585)	(560,828)
Net Change in Fund Balances	235,608	38,640	(2,158,949)	56,613	(1,828,088)	(4,122,299)
Fund Balance - July 1	6,818,631	(47,348)	2,049,460	48,879	8,869,622	12,991,921
Fund Balance - June 30	\$ 7,054,239	(8,708)	(109,489)	105,492	7,041,534	8,869,622

C. Analysis of the District's Financial Position. 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. The specific focus of this overview is on the district's Fund Balance. Fund Balance for governmental entities is analogous to the Equity section of a corporate balance sheet.

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 undesignated surplus listed approximates one of the district's 24 payroll obligations. For example, a typical payroll in the audit year amounted to \$1,900,000. During the audit year the board carried an operating surplus of \$1,711,000.. 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 \$1,912,563. The ending figure is an increase from the pre-audit year of \$1,694,899.

The school district exceeded its budgeted revenue by \$817,608 as indicated in the schedules herein. Total Appropriations less expenditures and encumbrances were \$1,278,423. These funds are added to the balance sheet surplus of \$886,532 to arrive at a total ending surplus of \$2,982,563. Of this amount \$1,070,000 was budget for use in the following year's budget. The result of this is that there will be an undesignated surplus in the follow school year of \$1,912,563.

Fund Balance as presented in Board Secretary's Reports		
Beginning 770 (Board Secretary's Report)	3,948,532	
Less 303 Budgeted Fund Balance (Board Secretary's Report)	(3,062,000)	
		886,532
Add excess revenue from Bd. Sec. Report (= 301-302)	817,608	
Add unspent appropriations from Bd. Sec. Report (= 601-603-603)	1,278,423	
		2,096,031
Ending Fund Balance		\$ 2,982,563
Reconciliation to Audit:		
Less Amount of Ending Fund Balance to be used in next year's Budget as Revenue		(1,070,000)
Audit: Total Unassigned Fund Balance: Note 11		\$ 1,912,563
Note: Compare this reconciliation to the June 30 Board Secretary's Report.		

D. Analysis of Balances and Transactions of Individual Funds.

Below is a condensed five year history of actual expenditures by Program within the General Fund. The General Fund represents the operating expenditures of the district. The two other significant funds are the Special Revenue Fund and the Debt Service Fund. The below analysis focuses on the General Fund. Debt Service Administration is addressed in a separate section of the MD&A. As noted in Section C of this discussion the district completed the year with favorable balances in both the Revenue and Appropriations sides of the ledger; \$817,608 and \$1,278,423 respectively.

The favorable balances above were not derived via material variances in any single budget line item. It is therefore more advantageous to review the trends over time as follows:

PROGRAM SUPPORTED	ACTUAL 13/14	ACTUAL 14/15	ACTUAL 15/16	ACTUAL 16/17	ACTUAL 17/18	CHANGE	%
Regular Education	24,045,078	23,986,618	25,250,106	25,751,391	26,366,384	614,992	2%
Special Education	10,877,086	11,451,407	12,167,536	12,851,287	13,884,775	1,033,488	8%
Health/Media/Attendance	1,884,499	1,890,590	1,965,163	2,025,064	1,994,492	(30,571)	-2%
Admin. Technology, Legal, Ins.	3,940,362	4,086,416	4,176,739	4,414,982	4,339,299	(75,682)	-2%
Security, Maintenance, Utilities	6,622,251	7,135,008	7,269,603	7,301,285	6,942,110	(359,175)	-5%
Employee Benefits	10,556,772	10,091,548	10,649,908	10,483,501	11,179,543	696,043	7%
Transportation	2,828,880	3,220,869	3,124,801	3,364,525	3,698,806	334,281	10%
Capital	3,922,075	4,103,658	1,065,605	5,505,661	996,309	(4,509,352)	-82%
Total	\$ 64,677,005	\$ 65,966,314	\$ 65,669,461	\$ 71,697,695	\$ 69,401,719	\$ (2,295,976)	-3%

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 second largest dollar increase at \$614,992 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 the largest increase of \$1,033,488 representing a year over year percentage growth of 8%. These costs are driven by increased staffing and increased costs for students placed out of district.

Health/Media and Attendance showed an immaterial decrease.

Administration also showed a decrease of approximately \$76,000. This decrease was primary due to a decrease in salary expenditures as a result of the resignation of the Superintendent of Schools and lower legal costs.

Grounds Care/Maintenance/Security had a decrease of \$359,000 results from fewer "Required Maintenance" activities as well as small decreases in other maintenance expenditures. This overall change represents less than 1/2 of 1% of the overall budget.

Employee Benefit expenditures representing health insurance, social security, pension costs, sick leave payout, workers compensation, and other miscellaneous costs had an increase of 7%. This increase was attributable to increases in health insurance premiums.

Transportation costs also increased primarily due to the need to run additional special education bus routes. The district also added staff in the form of bus assistants to accommodate special education needs. Overall this cost function increased by 10% or \$334,000.

Capital Outlay represents non-recurring expenditures and the reader should not evaluate this items for trends. The decrease shown on the financial reports exists as a result of large investments in the previous years and not as a result of few dollars being invested in the audit year. The pre-audit year's expenditures were significantly higher due to the district's construction of two synthetic turf athletic fields.

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.

GENERAL FUND REVENUE ANALYSIS	2014	2015	2016	2017	2018	Change
Local Revenue in General Fund:						
Tax Levy	\$ 59,499,325	\$ 60,685,996	\$ 62,210,439	\$ 63,454,008	\$ 64,936,030	\$ 1,482,022
Tuition Revenue	\$ 132,741	\$ 186,569	\$ 229,125	\$ 18,378	\$ 20,632	\$ 2,254
Interest and Misc. Revenue	\$ 337,853	\$ 337,205	\$ 302,114	\$ 491,174	\$ 448,502	\$ (42,672)
Fund Balance & Capital Reserve	\$ -	\$ -	\$ -	\$ -		\$ -
Local Revenue:	\$ 59,969,919	\$ 61,209,770	\$ 62,741,678	\$ 63,963,560	\$ 65,405,164	\$ 1,441,604
State and Federal Revenue in General Fund:						
Transportation Aid	\$ 612,017	\$ 612,017	\$ 612,017	\$ 653,820	\$ 653,820	\$ -
Extraordinary Aid	\$ 218,389	\$ 259,825	\$ 305,897	\$ 404,749	\$ 385,181	\$ (19,568)
Special Education Aid	\$ 2,353,591	\$ 2,353,591	\$ 2,353,591	\$ 2,323,116	\$ 2,423,722	\$ 100,606
Security Aid	\$ 417,886	\$ 417,886	\$ 417,886	\$ 421,512	\$ 421,512	\$ -
Supplemental Transportation Aid	\$ 40,584	\$ 45,293	\$ 66,412	\$ 52,777	\$ 82,485	\$ 29,708
PARCC Readiness Aid	\$ -	\$ 40,410	\$ 40,410	\$ 40,410	\$ 40,410	\$ -
Per Pupil Growth Aid	\$ -	\$ 40,410	\$ 40,410	\$ 40,410	\$ 40,410	\$ -
Professional Learning Communities	\$ -	\$ -	\$ -	\$ 39,090	\$ 39,090	\$ -
SEMI	\$ 55,612	\$ 114,053	\$ 71,819	\$ 65,053	\$ 33,656	\$ (31,397)
State and Federal Revenue	\$ 3,698,079	\$ 3,883,485	\$ 3,908,442	\$ 4,040,937	\$ 4,120,286	\$ 79,349
TOTAL GENERAL FUND REVENUE	\$ 63,667,999	\$ 65,093,255	\$ 66,650,120	\$ 68,004,497	\$ 69,525,450	\$ 1,520,953

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 \$1,520,953. The most significant portion of the increase was attributable to local tax levy.

- State aid increased slightly by \$110,746 and Federal Revenue (SEMI) decreased by \$31,397. 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 2.3%.

E. Analysis of significant variations within the General Fund

This analysis references schedule C-1 of the audit section of the CAFR. Specific attention is paid to the ending balances in the General Fund revenue and appropriations schedules.

Audit Schedule C-1 compares Original Budgeted Revenue to Final Budgeted Revenue compared with Actual Revenue. The Budget to Budget variance was a positive \$100,606 due to additional unexpected Special Education Aid awarded by the State of New Jersey just prior to the start of the school year. The Final Budget to Actual variance was a positive \$9,766,275 and is primarily the result of non-cash transactions expended by the State of New Jersey but recorded on the district’s financial statement. These types of transactions include \$6,804,157 for the Teacher’s Pension and Annuity Fund and \$2,245,116 for Social Security for TPAF participants.

Also notable were the positive variances of \$385,181 in Extraordinary Aid and \$82,485 in Supplemental Nonpublic Transportation Aid. These forms of state aid are announced after the school year ends.

Audit Schedule C-1 also compares the Original Budgeted Appropriations to Final Budget Appropriations compared with Actual Expenditures. The Budget to Budget variance was a positive \$2,253,820 representing increases of \$1,261,779 from prior year’s encumbrances and the remainder being budget increases from the district’s Maintenance Reserve and Capital Reserve. The Final Budget to Actual variance showed a negative \$5,961,330 due to the State of New Jersey’s requirement that we show expenditures of \$6,804,157 for the Teacher’s Pension and Annuity Fund and \$2,245,116 for Social Security for TPAF participants. Discounting for the State of New Jersey’s required paper entry, reveals that the district actually had an ending available balance of a positive \$1,278,423 in the General Fund appropriations balance as of June 30.

F. Capital Asset and 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, 2018, the School District had \$17,645,000 in outstanding debt; down from \$20,025,000 in the previous year. 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	\$10,690,000.00*	2023 (Debt has been refinanced)
Photovoltaic Installation	\$6,955,000.00*	2028 (Debt has been refinanced)

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

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

Note: On January 23, 2018 the district passed a bond referendum for \$25,105,000. Bonds were sold in the subsequent school year.

Source: District debt service worksheets

H. A Description of currently known facts the effect financial position

The Economic Climate:

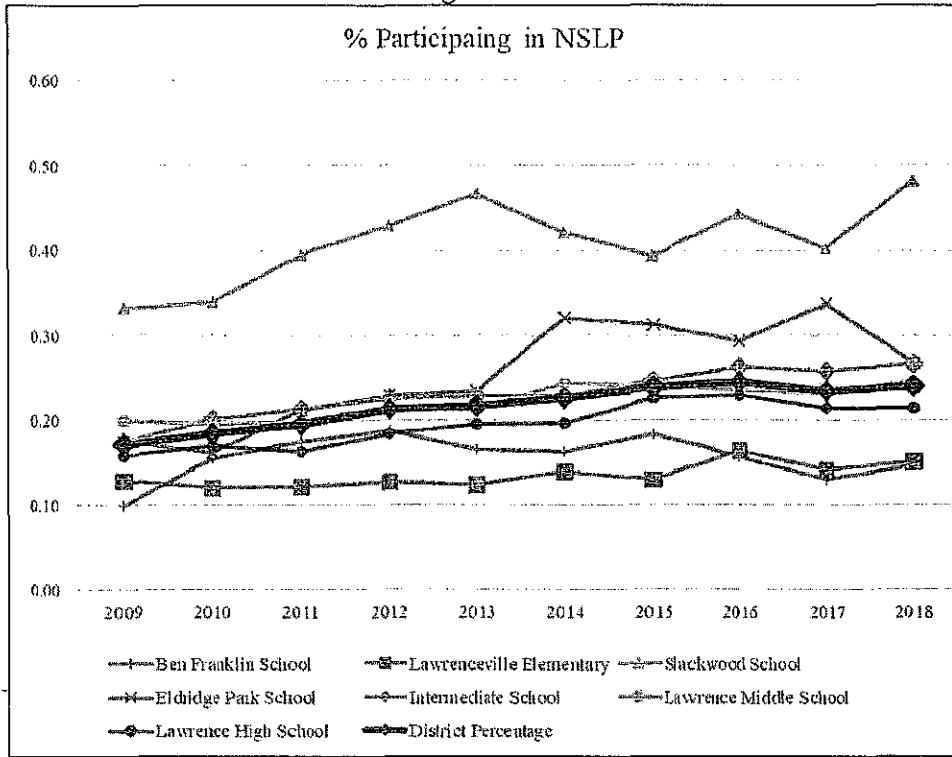
The economic climate of the nation, state, county, municipality and private industry influences the operations of the Lawrence Township Public Schools and the students the district serves. Below are listed some of the key influences encountered during the school year. These issues are anticipated to 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, 2018, students eligible to receive free or reduced priced lunches under the National Schools Lunch Program increased from 15% of the student population to 24% of the student population. There was a 1% increase between this audit year and the prior audit year. The increase represents a trend of year over year of increasing participation in the 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.

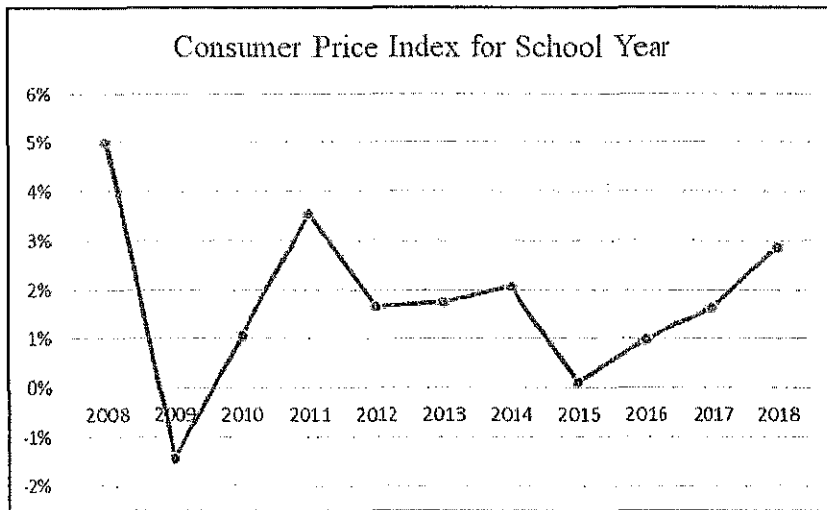
SCHOOLS:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ben Franklin School	0.13	0.10	0.15	0.17	0.19	0.17	0.16	0.18	0.16	0.13	0.15
Lawrenceville Elementary	0.11	0.13	0.12	0.12	0.13	0.12	0.14	0.13	0.16	0.14	0.15
Slackwood School	0.28	0.33	0.34	0.39	0.43	0.47	0.42	0.39	0.44	0.40	0.48
Eldridge Park School	0.14	0.18	0.16	0.21	0.23	0.23	0.32	0.31	0.29	0.34	0.27
Intermediate School	0.16	0.18	0.20	0.21	0.23	0.23	0.23	0.25	0.26	0.26	0.27
Lawrence Middle School	0.18	0.20	0.19	0.20	0.22	0.21	0.24	0.24	0.24	0.23	0.25
Lawrence High School	0.14	0.16	0.17	0.16	0.18	0.19	0.20	0.23	0.23	0.21	0.21
District Percentage	0.15	0.17	0.18	0.19	0.21	0.22	0.23	0.24	0.25	0.23	0.24

Source: National School Lunch Program Reimbursement Forms



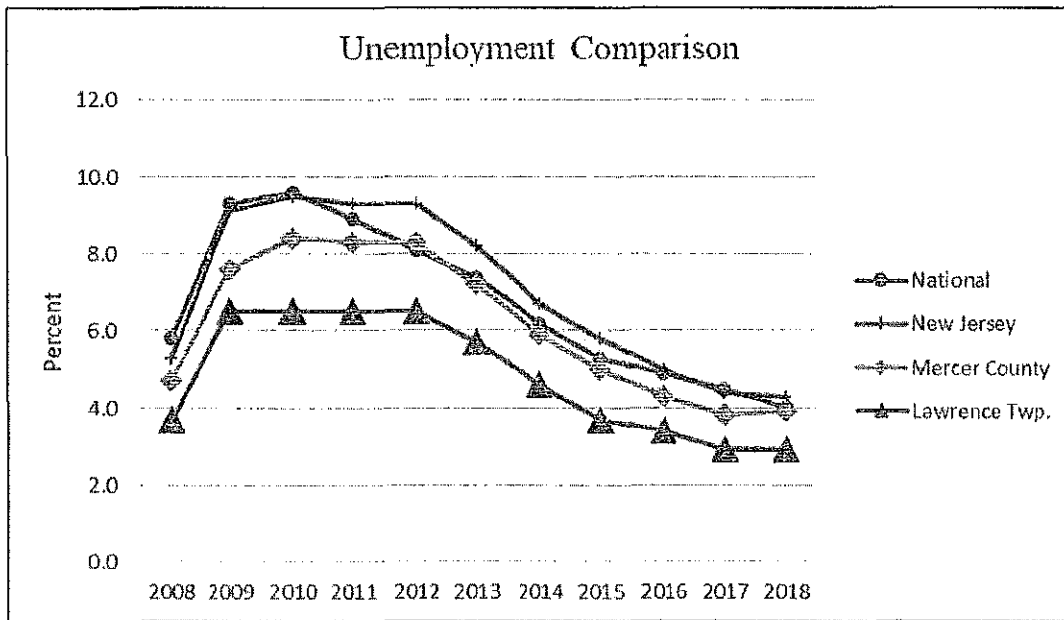
Consumer Price Index The Consumer Price Index is a measure of the costs of goods and services. The purpose of the index is to document overall changes in prices for a period of time. A general measure is the annual average change between years ending June 30, 2017 and June 30, 2018. The increase between audit and filing year was 3%. The growth in the CPI rapidly increased between the audit year and pre-audit year. The CPI was in excess of 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 30, 2018, the unemployment rates for the nation and that state decreased. Unemployment in Mercer County Increased and Lawrence Township remained unchanged.
- 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.



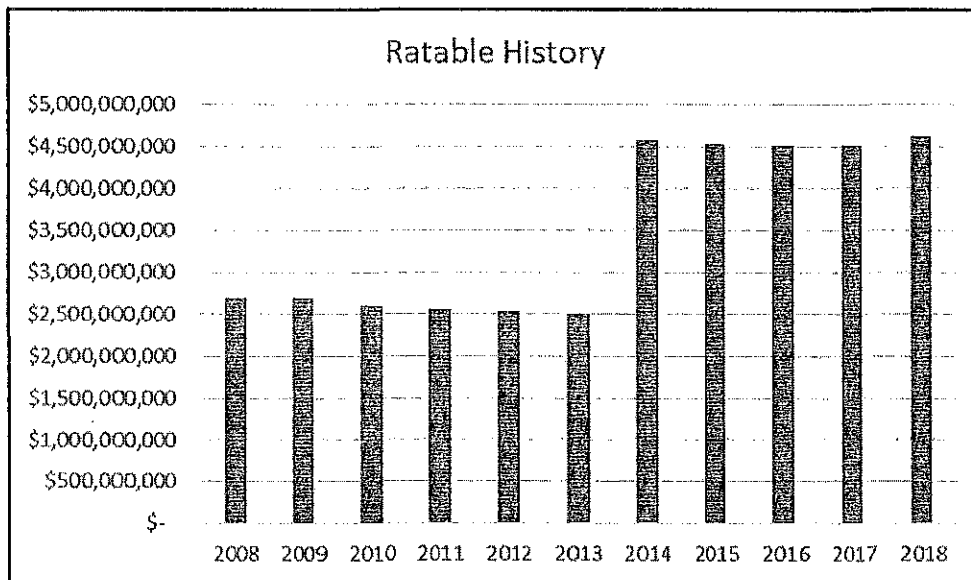
The following table contains annual average unemployment rates. The audit year is a six month average rate.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
National	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.5	4.0
New Jersey	5.3	9.1	9.5	9.3	9.3	8.2	6.7	5.8	5.0	4.4	4.3
Mercer County	4.7	7.6	8.4	8.3	8.3	7.2	5.9	5.0	4.3	3.8	3.9
Lawrence Twp.	3.7	6.5	6.5	6.5	6.5	5.7	4.6	3.7	3.4	2.9	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 2017 through calendar year 2018, the total value of taxable property in the municipality increased by approximately \$100,000,000.00, or 2%. 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.
- 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 2.2% higher than the previous year.



Fiscal Year Ended June 30,	Net Assessed 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
2018	\$ 4,625,473,061

Initiatives for Service Improvement and 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, Camden County Educational Services Commission, 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.

The 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.

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.

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.

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.

SCHOOL:	Sq. Ft.	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	250,281
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	155,541
BEN FRANKLIN	62,829	\$ 20,280	33,869	25,168	37,680	47,618	42,879	70,098	93,433	81,556	214,121	173,663
ELDRIDGE PARK	34,673	\$ 47,677	55,030	25,987	30,863	32,740	42,174	66,340	72,480	168,498	76,218	177,623
LAWRENCE INTERMEDIATE	100,742	\$ 37,009	48,241	33,954	37,126	80,898	115,682	88,510	197,306	143,906	108,663	82,026
LAWRENCEVILLE ELEMENTARY	51,684	\$ 13,678	109,904	54,322	31,341	79,644	112,832	42,287	109,226	100,881	122,753	45,718
SLACKWOOD ELEMENTARY	43,518	\$ 17,466	55,800	33,338	51,240	52,159	88,974	93,132	77,918	119,774	127,414	77,315
	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	962,167

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. During the **2017/2018** school year, the district received another grant through the New Jersey Direct Install Program to retrofit all buildings save Lawrence High School and Lawrence Intermediate School with LED interior lighting. The cost benefit of this initiative is illustrated below:

Direct Install Program	Total Cost	Grant	LTBOE	Savings	Payback/Yrs.
Ben Franklin School	\$ 53,100	\$ 37,170	\$ 15,930	\$ 7,832	2.03
Eldridge Park School	\$ 27,122	\$ 18,985	\$ 8,137	\$ 5,397	1.51
Lawrence Ele. School	\$ 115,140	\$ 80,598	\$ 34,542	\$ 15,498	2.23
Slackwood School	\$ 42,001	\$ 29,401	\$ 12,600	\$ 8,551	1.47
Middle School	\$ 62,071	\$ 43,450	\$ 18,621	\$ 9,342	1.99
Administration Bldg.	\$ 23,888	\$ 16,721	\$ 7,166	\$ 4,238	1.69
Total Costs/Savings	\$ 323,322	\$ 226,325	\$ 96,997	\$ 50,858	1.91
Note: This is an annual savings to be realized EVERY YEAR.					
The project pays for itself in 1.91 years.					

While not receiving grants to retro fit the district's two largest buildings, the in-house Maintenance Staff conducted the retrofit of the high school. The Intermediate school will be completed by LTBOE staff in 2019.

During the **2017/2018** School Year the district also applied to the New Jersey Board of Public Utilities Local Government Energy Audit Program. The purpose of the program is to review areas for potential savings. The program is also a gateway for grant funding. Districts that participate in the energy audit become eligible to participate in the newly revised Direct Install program. The goal of participating in this audit is to receive grants to install LED lighting in the interior of district buildings.

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, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 1,488,958	137,669	1,626,627
Receivables, Net	1,287,857	135,839	1,423,696
Inventory		37,578	37,578
Restricted Assets:			
Cash and Cash Equivalents	6,142,429		6,142,429
Capital Assets-Non-Depreciable	32,622,900		32,622,900
Capital Assets-Depreciable-Net	73,913,108	306,555	74,219,663
Total Assets	<u>115,455,252</u>	<u>617,641</u>	<u>116,072,893</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>7,270,387</u>		<u>7,270,387</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>5,502,037</u>		<u>5,502,037</u>
<u>Liabilities</u>			
Accounts Payable	1,688,697	218,686	1,907,383
Accrued Interest	284,707		284,707
Deferred Revenue	189,013		189,013
Noncurrent Liabilities:			
Due Within One Year	2,475,000		2,475,000
Due Beyond One Year	41,277,078		41,277,078
Total Liabilities	<u>45,914,495</u>	<u>218,686</u>	<u>46,133,181</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	88,891,008	306,555	89,197,563
Restricted For:			
Debt Service	105,492		105,492
Special Revenue	(8,708)		(8,708)
Capital Projects	(109,489)		(109,489)
Other Purposes	5,437,290		5,437,290
Unrestricted	<u>(23,006,486)</u>	<u>92,400</u>	<u>(22,914,086)</u>
Total Net Position	<u>\$ 71,309,107</u>	<u>398,955</u>	<u>71,708,062</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, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 23,194,197			(23,194,197)		(23,194,197)
Special Education	6,958,028		3,115,722	(3,842,306)		(3,842,306)
Other Special Instruction	473,453			(473,453)		(473,453)
Other Instruction	2,876,178			(2,876,178)		(2,876,178)
Support Services:						
Tuition	3,511,834	20,632		(3,491,202)		(3,491,202)
Student & Instruction Related Services	8,750,102		586,034	(8,164,068)		(8,164,068)
School Administrative Services	2,255,637			(2,255,637)		(2,255,637)
General and Business Administrative Services	2,083,664			-		-
Plant Operations and Maintenance	6,942,111			(6,942,111)		(6,942,111)
Pupil Transportation	3,698,805			(3,698,805)		(3,698,805)
Unallocated Benefits	20,294,220			(20,294,220)		(20,294,220)
Transfer to Charter School	10,493			(10,493)		(10,493)
Interest on Long-Term Debt	793,245			(793,245)		(793,245)
Unallocated Depreciation	8,013,121			(8,013,121)		(8,013,121)
Total Government Activities	<u>89,855,088</u>	<u>20,632</u>	<u>3,701,756</u>	<u>(86,132,700)</u>	<u>-</u>	<u>(86,132,700)</u>
Business-Type Activities:						
Proprietary Funds	1,479,444	877,384	567,078		(34,982)	(34,982)
Total Business-Type Activities	<u>1,479,444</u>	<u>877,384</u>	<u>567,078</u>	<u>-</u>	<u>(34,982)</u>	<u>(34,982)</u>
Total Primary Government	<u>91,334,532</u>	<u>898,016</u>	<u>4,268,834</u>	<u>(86,132,700)</u>	<u>(34,982)</u>	<u>(86,167,682)</u>

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	<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	64,936,030		64,936,030
Taxes Levied for Debt Service	2,894,161		2,894,161
Federal and State Aid Not Restricted	12,687,511		12,687,511
Miscellaneous Income	1,304,087		1,304,087
Total General Revenues, Special Items, and Transfers	<u>81,821,789</u>	<u>-</u>	<u>81,821,789</u>
Other Financing Sources (Uses):			
Adjustment to Prior Years Overpayment	(1,896)		(1,896)
Cancel Accounts Payable	16,633		16,633
Cancel Accounts Receivable	(1,165,955)		(1,165,955)
Adjustment for Fixed Assets		226,309	226,309
Adjustment for Prior Year Encumbrances	(726,367)		(726,367)
Total Other Financing Sources (Uses)	<u>(1,877,585)</u>	<u>226,309</u>	<u>(1,651,276)</u>
Change in Net Position	(6,188,496)	191,327	(5,997,169)
Net Position - Beginning	<u>77,497,603</u>	<u>207,628</u>	<u>77,705,231</u>
Net Position - Ending	<u>\$ 71,309,107</u>	<u>398,955</u>	<u>71,708,062</u>

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

FUND FINANCIAL STATEMENTS – B

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and Cash Equivalents-Restricted	\$ 5,437,290	291,276	308,371	105,492	6,142,429
Cash and Cash Equivalents-Unrestricted	1,488,958				1,488,958
Receivables, Net	580,480	665,237	42,140		1,287,857
Interfund Receivable	710,000				710,000
Total Assets	<u>\$ 8,216,728</u>	<u>956,513</u>	<u>350,511</u>	<u>105,492</u>	<u>9,629,244</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ 1,162,489	526,208			1,688,697
Interfund Payable		250,000	460,000		710,000
Deferred Revenue		189,013			189,013
Total Liabilities	<u>1,162,489</u>	<u>965,221</u>	<u>460,000</u>	<u>-</u>	<u>2,587,710</u>
Fund Balance:					
Restricted for:					
Committed To:					
Maintenance Reserve	448,046				448,046
Emergency Reserve	200,000				200,000
Capital Reserve Account	1,452,863				1,452,863
Assigned To:					
Excess Surplus	56,862				56,862
Other Purposes	1,809,519				1,809,519
Capital Reserve - Designated for Subsequent Years Expenditures	400,000				400,000
Designated By The BOE for Subsequent Years Expenditures	1,070,000				1,070,000
Capital Projects Fund			(109,489)		(109,489)
Debt Service Fund				105,492	105,492
Unassigned:					
Special Revenue Fund		(8,708)			(8,708)
General Fund	1,616,949		-		1,616,949
Total Fund Balances	<u>7,054,239</u>	<u>(8,708)</u>	<u>(109,489)</u>	<u>105,492</u>	<u>7,041,534</u>
Total Liabilities and Fund Balance	<u>\$ 8,216,728</u>	<u>956,513</u>	<u>350,511</u>	<u>105,492</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 \$158,944,560 and the accumulated depreciation is \$52,408,552.

106,536,008

Accrued Interest

(284,707)

Deferred outflow of resources - contributions to the pension plan

7,270,387

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

(5,502,037)

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

(43,752,078)

Net Position of governmental activities

\$ 71,309,107

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, 2018

	<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	\$ 64,936,030			2,894,161	67,830,191
Tuition Charges	20,632				20,632
Miscellaneous	448,502	753,844		101,741	1,304,087
Total Local Sources	65,405,164	753,844	-	2,995,902	69,154,910
State Sources	13,101,579	1,030,322		267,480	14,399,381
Federal Sources	33,656	1,956,230			1,989,886
Total Revenues	78,540,399	3,740,396	-	3,263,382	85,544,177
<u>Expenditures</u>					
Current:					
Regular Instruction	20,078,475	3,115,722			23,194,197
Special Education Instruction	6,545,119	412,909			6,958,028
Other Special Instruction	473,453				473,453
Other Instruction	2,876,178				2,876,178
Support Services and Undistributed Costs:					
Tuition	3,511,834				3,511,834
Student and Instruction Related Services	8,750,102				8,750,102
General Administrative Services	683,731				683,731
Other Administrative Services	3,655,570				3,655,570
Plant Operations and Maintenance	6,942,111				6,942,111
Pupil Transportation	3,698,805				3,698,805
Unallocated Benefits	20,228,816				20,228,816
Transfer of Funds to Charter Schools	10,493				10,493
Debt Service:					
Principal				2,380,000	2,380,000
Interest and Other Charges				826,769	826,769
Capital Outlay	996,305	173,125	135,163		1,304,593
Total Expenditures	78,450,992	3,701,756	135,163	3,206,769	85,494,680

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, 2018

	<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>89,407</u>	<u>38,640</u>	<u>(135,163)</u>	<u>56,613</u>	<u>49,497</u>
Other Financing Sources (Uses):					
Adjustment to Prior Years Overpayment	(1,896)				(1,896)
Capital Projects to Capital Reserve	131,464		(131,464)		-
Cancel Accounts Payable	16,633				16,633
Cancel Accounts Receivable			(1,165,955)		(1,165,955)
Adjustment for Prior Year Encumbrances			(726,367)		(726,367)
Total Other Financing Sources (Uses)	<u>146,201</u>	<u>-</u>	<u>(2,023,786)</u>	<u>-</u>	<u>(1,877,585)</u>
Net Change in Fund Balances	235,608	38,640	(2,158,949)	56,613	(1,828,088)
Fund Balance - July 1	<u>6,818,631</u>	<u>(47,348)</u>	<u>2,049,460</u>	<u>48,879</u>	<u>8,869,622</u>
Fund Balance - June 30	<u>\$ 7,054,239</u>	<u>(8,708)</u>	<u>(109,489)</u>	<u>105,492</u>	<u>7,041,534</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2018

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ (1,828,088)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Capital Outlay	1,949,062	
Depreciation Expense	<u>(8,013,121)</u>	(6,064,059)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		2,380,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		(2,178,023)
Pension Related Deferrals		(4,969,544)
Net Pension Liability		6,440,536
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.		33,524
Compensated Absences		<u>(2,842)</u>
Change in Net Position of Governmental Activities		<u>\$ (6,188,496)</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2018

	<u>Business-type Activities Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 137,669
Accounts Receivable:	
State	3,210
Federal	99,129
Other	33,500
Inventory	37,578
Total Current Assets	<u>311,086</u>
Noncurrent Assets:	
Equipment	890,974
Accumulated Depreciation	(584,419)
Total Noncurrent Assets	<u>306,555</u>
Total Assets	<u>\$ 617,641</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	\$ 218,686
Total Liabilities	<u>\$ 218,686</u>
<u>Net Position</u>	
Investment in Capital Assets	\$ 306,555
Unrestricted	92,400
Total Net Position	<u>\$ 398,955</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2018

	<u>Business-type Activities Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs:	
School Lunch Program	\$ 570,039
Daily Sales Non-Reimbursable Programs	270,100
Miscellaneous	30,000
Fees	7,245
Total Operating Revenues	<u>877,384</u>
Operating Expenses:	
Salaries & Benefits	535,451
Supplies and Materials	99,590
Repairs	48,881
Miscellaneous	85,918
Cost of Sales-Reimbursable Programs	458,486
Cost of Sales-Non-Reimbursable Programs	215,758
Management Fee	35,360
Total Operating Expenses	<u>1,479,444</u>
Operating Income (Loss)	<u>(602,060)</u>
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	15,314
Federal Sources:	
National School Lunch Program	416,112
HHFKA Lunch Program	17,686
School Breakfast Program	39,780
Commodities	78,186
Total Non-Operating Revenues	<u>567,078</u>
Net Income (Loss)	(34,982)
Adjustment for Fixed Assets	226,309
Net Position, July 1	<u>207,628</u>
Net Position, June 30	<u>\$ 398,955</u>

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

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

JUNE 30, 2018

	Business-type Activities Enterprise Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 877,384
Payments for Salaries	(535,451)
Payments for Other Costs	(835,288)
Net Cash Used By Operating Activities	<u>(493,355)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received From State and Federal Reimbursements	488,892
Net Cash Provided Noncapital Financing Activities:	<u>488,892</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,463)
Cash and Cash Equivalents, July 1	<u>142,132</u>
Cash and Cash Equivalents, June 30	<u>\$ 137,669</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (602,060)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Commodities	78,186
Decrease/(Increase) in Inventory	3,256
(Increase)/Decrease in Accounts Receivable	(100,439)
Increase/(Decrease) in Accounts Payable	127,702
Net Cash Used By Operating Activities	<u>\$ (493,355)</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, 2018

	<u>Unemployment Compensation Trust</u>	<u>Payroll Agency</u>	<u>Private Purpose Scholarship Fund</u>	<u>Summer Savings</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 512,424</u>	<u>414,048</u>	<u>34,469</u>	<u>1,586,520</u>
Total Assets	<u>\$ 512,424</u>	<u>414,048</u>	<u>34,469</u>	<u>1,586,520</u>
Net Position:				
Accrued Salaries - Summer Savings	\$ -			1,586,520
Payroll Withholding		414,048		
Held in Trust for Unemployment Claims and Other Purposes	512,424			
Reserved for Scholarships			34,469	
Total Net Position	<u>\$ 512,424</u>	<u>414,048</u>	<u>34,469</u>	<u>1,586,520</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

Exhibit B-8

FIDUCIARY FUNDS**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<u>Additions</u>		
Contributions:		
Other	\$ -	2,450
Total Additions	<u>-</u>	<u>2,450</u>
<u>Deductions</u>		
Unemployment Distributions	43,464	
Scholarships Awarded		1,950
Total Deductions	<u>43,464</u>	<u>1,950</u>
Change in Net Position	(43,464)	500
Net Position - Beginning of the Year	<u>555,888</u>	<u>33,969</u>
Net Position - End of the Year	<u>\$ 512,424</u>	<u>34,469</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, 2018

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 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 School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

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

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.

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.

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

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.

NOTE 1: Summary of Significant Accounting Policies (Continued)**D. Fund Accounting (Continued):****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, 2018 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.

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.

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the 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.

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, 2018.

NOTE 1: Summary of Significant Accounting Policies (Continued)**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, 2018. 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, 2018 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</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>2,657,766</u>	<u>1,949,062</u>			<u>4,606,828</u>
Total	<u>124,372,598</u>	<u>1,949,062</u>	_____	_____	<u>126,321,660</u>
Less: Accumulated Depreciation:					
Buildings	(42,414,789)	(7,068,697)			(49,483,486)
Machinery & Equipment	<u>(1,980,642)</u>	<u>(944,424)</u>			<u>(2,925,066)</u>
Total Accumulated Depreciation	<u>(44,395,431)</u>	<u>(8,013,121)</u>	_____	_____	<u>(52,408,552)</u>
Net Depreciable Assets	<u>79,977,167</u>	_____	_____	_____	<u>73,913,108</u>
Governmental Activities Capital Assets (Net)	<u>\$ 112,600,067</u>	<u>(6,064,059)</u>	_____	_____	<u>106,536,008</u>

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

Accumulated depreciation was allocated to governmental activities as follows:

	Prior Years' Accumulated Depreciation	Current Year Depreciation Expense	Adjustments	Total Accumulated Depreciation
Instruction	\$ 6,842,899	1,089,535	145,569	8,078,003
Support Services	4,176,666	665,014	88,850	4,930,530
Unallocated	<u>33,375,866</u>	<u>5,314,148</u>	<u>710,005</u>	<u>39,400,019</u>
	<u>\$ 44,395,431</u>	<u>7,068,697</u>	<u>944,424</u>	<u>52,408,552</u>

	Balance July 1, 2017	Adjustments	Additions	Balance June 30, 2018
Business-Type Activities:				
Equipment	\$ 761,601		129,373	890,974
Less: Accumulated Depreciation:				
Equipment	<u>(681,355)</u>	<u>96,936</u>	<u>_____</u>	<u>(584,419)</u>
Business-Type Capital Assets (Net)	<u>\$ 80,246</u>	<u>96,936</u>	<u>129,373</u>	<u>306,555</u>

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 1: Summary of Significant Accounting Policies (Continued)

M. Net Position

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

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**M. Net Position (Continued)**

Assigned – The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

NOTE 2: Cash and Cash Equivalents and Investments

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

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.

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

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%.

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, 2018, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash <u>Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 10,490,057</u>

During the period ended June 30, 2018, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2018 was \$10,490,057 and the bank balance was \$11,401,802. Of the bank balance, \$746,260 was covered by federal depository insurance and \$10,655,542 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	\$ 746,260
GUPDA	<u>10,655,542</u>
	<u>\$ 11,401,802</u>

As of June 30, 2018, 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, 2018, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Long-Term</u> <u>Portion</u>	<u>2018-19</u> <u>Payment</u>
Pension Liability	\$ 31,789,555		(6,440,536)	25,349,019	25,349,019	
Compensated Absences Payable	755,217	2,842		758,059	758,059	
Bonds Payable	<u>20,025,000</u>	—	(2,380,000)	<u>17,645,000</u>	<u>15,170,000</u>	<u>2,475,000</u>
Total	<u>\$ 52,569,772</u>	<u>2,842</u>	<u>(8,820,536)</u>	<u>43,752,078</u>	<u>41,277,078</u>	<u>2,475,000</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 \$520,000 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 \$10,690,000 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:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2022-2023	2,945,000	296,976	3,241,976
2023/24-2027/28	3,390,000	485,900	3,875,900
2028-2029	<u>755,000</u>	<u>11,325</u>	<u>766,325</u>
	<u>\$ 17,645,000</u>	<u>3,140,282</u>	<u>20,785,282</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 1/2 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
6/30/18	\$ 1,072,726	100%	0
6/30/17	999,094	100%	0
6/30/16	973,457	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
6/30/18	\$ 6,804,157	100%	0
6/30/17	5,609,242	100%	0
6/30/16	4,946,417	100%	0

During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$6,804,157 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 \$2,245,116 during the year ended June 30, 2018 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**Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

The following represents the membership tiers for PERS:

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

NOTE 4: Pension Plans (Continued)

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

Basis of Presentation

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2016 through June 30, 2017. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2017 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2017.

NOTE 4: Pension Plans (Continued)

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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

For the year ended June 30, 2018, the District recognized pension expense of \$1,072,726. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 596,882	
Changes of Assumptions	5,106,954	5,088,231
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	172,610	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	321,215	413,806
District Contributions Subsequent to the Measurement Date	<u>1,072,726</u>	<u> </u>
Total	<u>\$ 7,270,387</u>	<u>5,502,037</u>

\$7,270,387 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, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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, 2017 and 2016 are as follows:

	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
Collective Deferred Outflows of Resources	\$ 7,270,387	9,448,410
Collective Deferred Inflows of Resources	5,502,037	532,493
Collective Net Pension Liability	25,349,019	31,789,555
District's Proportion	.10890%	.10734%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2017 were as follows:

	<u>2017</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 32,535,896,852	44,852,367,051	77,388,263,903
Plan Fiduciary Net Position	<u>6,890,274,055</u>	<u>21,573,965,463</u>	<u>28,464,239,518</u>
Net Pension Liability	<u>\$ 25,645,622,797</u>	<u>23,278,401,588</u>	<u>48,924,024,385</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.18%	48.10%	36.78%

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

	<u>2016</u>		
	<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%

NOTE 4: Pension Plans (Continued)

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% – 5.15% Based on Age
Investment Rate of Return	7.00%

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, 2016 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 (7.00% at June 30, 2017) 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, 2017 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>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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, 2017, 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:

	2017		
	At 1%	At Current	At 1%
	<u>Decrease (4.00%)</u>	<u>Discount</u>	<u>Increase (6.00%)</u>
State	\$ 29,818,581,732	25,645,622,797	22,179,578,513
Local	<u>28,878,437,027</u>	<u>23,278,401,588</u>	<u>18,612,878,069</u>
Total	<u>\$ 58,697,018,759</u>	<u>48,924,024,385</u>	<u>40,792,456,582</u>

	2016		
	At 1%	At Current	At 1%
	<u>Decrease (3.90%)</u>	<u>Discount</u>	<u>Increase (5.90%)</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>

Teachers Pensions and Annuity Fund (TPAF)**Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

NOTE 4: Pension Plans (Continued)

The following represents the membership tiers for TPAF:

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

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

Basis of Presentation

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2017. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

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

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Total Pension Liability	\$ 90,726,371,000	101,746,770,000
Plan Fiduciary Net Position	<u>23,056,161,829</u>	<u>22,717,862,967</u>
Net Pension Liability	<u>\$ 67,670,209,171</u>	<u>79,028,907,033</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2017</u>	<u>2016</u>
District's Liability	<u>\$ 183,149,149</u>	<u>221,848,042</u>
District's Proportion	.27065%	.28072%

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases: 2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.00%

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 (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

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

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, 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, 2017 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>
2017 (3.25%, 4.25%, 5.25%)	\$ 80,394,331,171	67,670,209,171	57,188,022,171
2016 (2.22%, 3.22%, 4.22%)	94,378,176,033	79,028,907,033	66,494,248,033

NOTE 5: Post-Retirement Benefits**General Information about the OPEB Plan****Plan description and benefits provided**

P.O. 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. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. (GASB Cod. Sec. 2300.106(g))

NOTE 5: Post-Retirement Benefits (Continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's CAFR.

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate 2.50%

	<u>TPAF</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 4.55% based on years of service	2.15% - 4.15% based on age
Thereafter	2.00% - 5.45% based on years of service	3.15% - 5.15% based on age

NOTE 5: Post-Retirement Benefits (Continued)

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the Total OPEB Liability reported by the State of New Jersey.

	Total OPEB Liability
Balance at 6/30/2016 Measurement Date	\$ 57,831,784,184
Changes for the Year:	
Service Cost	2,391,878,884
Interest on Total OPEB Liability	1,699,441,736
Change of Assumptions	(7,086,599,129)
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	
Gross Benefit Payments	(1,242,412,566)
Contributions from the Member	<u>45,748,749</u>
Balance at 6/30/2017 Measurement Date	<u>\$ 53,639,841,858</u>

NOTE 5: Post-Retirement Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(2.58%)</u>	Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
Total OPEB Liability (School Retirees)	\$ 63,674,362,200	53,639,841,858	45,680,364,453

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 44,113,584,560	53,639,841,858	66,290,599,457

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2018, the Board of Education recognized OPEB expense of \$9,322,850 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Lawrence Township Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 99,843,255	99,843,255
Changes of Assumptions	_____	6,343,769,032
Total	<u>\$ 99,843,255</u>	<u>6,443,612,287</u>

NOTE 5: Post-Retirement Benefits (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee’s OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)

NOTE 6: Deferred Compensation

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

- Equitable
- Lincoln
- Met Life
- Valic
- Legend

NOTE 7: Risk Management

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

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

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

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2017-2018	\$ 0	0	43,363	512,525
2016-2017	0	0	0	555,888
2015-2016	85,000	0	0	555,888

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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017		\$ 1,112,456
Deposits:		
Interest	3,000	
Budget Increase	736,000	
Board Resolution	500,000	
Return to Various Project Withdrawal	<u>362,952</u>	
		<u>1,601,952</u>
		2,714,408
Withdrawals:		
Various Project (Capital Outlay)		<u>861,545</u>
Ending Balance, June 30, 2018		<u>\$ 1,852,863</u>

NOTE 9: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2018.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 710,000	
Special Revenue Fund		250,000
Capital Projects		<u>460,000</u>
	<u>\$ 710,000</u>	<u>710,000</u>

The interfund loans due to the General Fund were due to State and Federal Aid reimbursements that had yet to be processed. It is expected these loans will be repaid within one year.

NOTE 10: Fund Balance Appropriated

General Fund – Of the \$7,292,990 General Fund fund balance at June 30, 2018, \$1,809,519 is reserved for encumbrances; \$1,070,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2019; \$400,000 is Designated for Subsequent Years Expenditures – Capital Reserve; \$1,452,863 is in Capital Reserve, \$200,000 is in Emergency Reserve, \$448,046 is in Maintenance Reserve; \$1,855,700 is unreserved and undesignated; and \$56,862 is excess surplus.

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 2018-2019 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, 2018 had excess surplus of \$0 (see calculation below).

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

The calculation of reserved excess surplus is as follows:

2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures Per the CAFR	\$ 78,450,992
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(9,049,273)</u>
Adjusted 2017-18 General Fund Expenditures	<u>\$ 69,401,719</u>
2% of Adjusted 2017-18 General Fund Expenditures	\$ 1,388,034
Increased by: Allowable Adjustment	<u>467,666</u>
Maximum Unassigned Fund Balance	<u>\$ 1,855,700</u>
<u>Section 2</u>	
Total General Fund – Fund Balance @ 6-30-18	\$ 7,292,990
Decreased by:	
Reserved for Encumbrances	(1,809,519)
Designated for Subsequent Year's Expenditures	(1,070,000)
Designated for Subsequent Year's Expenditures -- Capital Reserve	(400,000)
Other Reserves	<u>(2,100,909)</u>
Total Unassigned Fund Balance	<u>\$ 1,912,562</u>
Current Year Excess Surplus	<u>\$ 56,862</u>

NOTE 11: Calculation of Excess Surplus**Section 3**

Excess Surplus – Current Year	\$ 56,862
Designated for Subsequent Years Expenditures – Excess Surplus	<u>0</u>
	<u>\$ 56,862</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$ 385,181
Non-Public Transportation Aid	<u>82,485</u>
	<u>\$ 467,666</u>

Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 448,046
Emergency Reserve	200,000
Capital Reserve	<u>1,452,863</u>
Total Other Restricted Fund Balance	<u>\$ 2,100,909</u>

NOTE 12: Section 125 IRS Code (Cafeteria Plan)

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

NOTE 13: Contingent Liabilities

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

NOTE 14: Economic Dependency

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

NOTE 15: Current Expense Emergency Reserve Account

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

NOTE 16: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2018. 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, 2018 through November 20, 2018.

NOTE 17: Subsequent Events**Sale of Bonds**

\$25,105,000 School Bonds, Series 2018, were sold on August 15, 2018 to fund capital improvements to all schools for HVAC, Security and Modular Buildings maturing on June 30, 2027.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	\$ 64,936,030		64,936,030	64,936,030	-
Tuition	80,000		80,000	20,632	(59,368)
Interest on Investments	3,000		3,000	71,897	68,897
Miscellaneous	127,000		127,000	376,605	249,605
Total Local Sources	<u>65,146,030</u>	<u>-</u>	<u>65,146,030</u>	<u>65,405,164</u>	<u>259,134</u>
State Sources:					
Special Education Aid	2,323,116	100,606	2,423,722	2,423,722	-
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				385,181	385,181
Non Public Transportation Aid			-	82,485	82,485
Professional Learning Community Aid	39,090		39,090	39,090	-
On Behalf TPAF Pension Contributions (Non-Budgeted)			-	6,804,157	6,804,157
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,245,116	2,245,116
Total State Sources	<u>3,518,358</u>	<u>100,606</u>	<u>3,618,964</u>	<u>13,135,903</u>	<u>9,516,939</u>
Federal Sources:					
Medicaid Reimbursement	43,454		43,454	33,656	(9,798)
Total Federal Sources	<u>43,454</u>	<u>-</u>	<u>43,454</u>	<u>33,656</u>	<u>(9,798)</u>
Total Revenues	<u>68,707,842</u>	<u>100,606</u>	<u>68,808,448</u>	<u>78,574,723</u>	<u>9,766,275</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool	589,758	(65,050)	524,708	350,701	174,007
Kindergarten-Salaries of Teachers	1,008,841	(7,978)	1,000,863	989,478	11,385
Grades 1-5-Salaries of Teachers	6,589,455	(264,934)	6,324,521	6,285,708	38,813
Grades 6-8-Salaries of Teachers	3,535,359	329,152	3,864,511	3,863,122	1,389
Grades 9-12-Salaries of Teachers	5,873,028	(193,815)	5,679,213	5,654,789	24,424
Regular Programs Undistributed - Instruction:					
Other Salaries for Instruction	648,865	41,076	689,941	683,102	6,839
Purchased Professional/Educational Services	69,200	(38,128)	31,072	31,072	-
Other Purchased Services	256,643	(184,204)	72,439	67,487	4,952
General Supplies	1,433,116	569,386	2,002,502	1,947,635	54,867
Textbooks	179,968	35,612	215,580	145,080	70,500
Other Objects	15,887	(5,313)	10,574	10,574	-
Home Instruction:					
Teachers Salaries	21,000	299	21,299	21,299	-
Purchased Professional/Educational Services	30,000	628	30,628	28,428	2,200
Total Regular Programs - Instruction	<u>20,251,120</u>	<u>216,731</u>	<u>20,467,851</u>	<u>20,078,475</u>	<u>389,376</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 3 of 15

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	199,499		199,499	186,211	13,288
Other Salaries For Instruction	156,013		156,013	139,404	16,609
General Supplies	1,380	(545)	835	835	-
Total Behavioral Disabilities	<u>356,892</u>	<u>(545)</u>	<u>356,347</u>	<u>326,450</u>	<u>29,897</u>
Multiple Disabilities:					
Salaries of Teachers	1,175,044	88,682	1,263,726	1,219,694	44,032
Other Salaries for Instruction	590,033	78,216	668,249	639,802	28,447
General Supplies	11,973	(1,610)	10,363	10,293	70
Total Multiple Disabilities	<u>1,777,050</u>	<u>165,288</u>	<u>1,942,338</u>	<u>1,869,789</u>	<u>72,549</u>
Resource Room/Resource Center:					
Salaries of Teachers	3,406,056	(150,809)	3,255,247	3,201,570	53,677
Other Salaries for Instruction	641,554	(3,430)	638,124	631,514	6,610
Purchased Professional Educational Services	7,000	(6,500)	500	500	-
General Supplies	11,862	(2,047)	9,815	9,815	-
Textbooks	11,000	(11,000)	-	-	-
Total Resource Room/Resource Center	<u>4,077,472</u>	<u>(173,786)</u>	<u>3,903,686</u>	<u>3,843,399</u>	<u>60,287</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	17,424	(2,013)	15,411	15,411	-
Other Salaries for Instruction	20,400	(8,678)	11,722	11,722	-
General Supplies	1,050	2,715	3,765	1,119	2,646
Total Preschool Handicapped	<u>38,874</u>	<u>(7,976)</u>	<u>30,898</u>	<u>28,252</u>	<u>2,646</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	175,145	64,564	239,709	239,709	-
Other Salaries for Instruction	202,583	28,783	231,366	231,366	-
General Supplies	5,900	254	6,154	6,154	-
Total Preschool Handicapped	<u>383,628</u>	<u>93,601</u>	<u>477,229</u>	<u>477,229</u>	<u>-</u>
Total Special Education	<u>6,633,916</u>	<u>76,582</u>	<u>6,710,498</u>	<u>6,545,119</u>	<u>165,379</u>
Academic Support Instruction:					
Salaries of Teachers	1,870,516	(206,103)	1,664,413	1,663,963	450
General Supplies	10,845	(5,258)	5,587	5,587	-
Total Academic Support Instruction	<u>1,881,361</u>	<u>(211,361)</u>	<u>1,670,000</u>	<u>1,669,550</u>	<u>450</u>
Bilingual Education:					
Salaries of Teachers	550,894	(76,624)	474,270	469,757	4,513
General Supplies	7,733	(4,037)	3,696	3,696	-
Textbooks	400	(400)	-	-	-
Total Bilingual Education	<u>559,027</u>	<u>(81,061)</u>	<u>477,966</u>	<u>473,453</u>	<u>4,513</u>
School Sponsored Co-Curricular Activities:					
Salaries	141,245	(3,868)	137,377	137,036	341
Other Purchased Services	29,475	(12,500)	16,975	15,869	1,106
Supplies and Materials	33,854	11,842	45,696	34,384	11,312
Other Objects	20,775	(9,720)	11,055	10,949	106
Total School Sponsored Co-Curricular Activities	<u>225,349</u>	<u>(14,246)</u>	<u>211,103</u>	<u>198,238</u>	<u>12,865</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 5 of 15

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
School Sponsored Athletics:					
Salaries	501,468	9,218	510,686	505,407	5,279
Salaries of Secretarial & Clerical	50,784	(5,217)	45,567	45,567	-
Other Purchased Professional Services	108,174	(35,352)	72,822	69,667	3,155
Other Purchased Services	39,010	(1,961)	37,049	34,067	2,982
Supplies and Materials	137,876	(6,722)	131,154	127,466	3,688
Other Objects	12,370	(605)	11,765	11,236	529
Total School Sponsored Athletics	<u>849,682</u>	<u>(40,639)</u>	<u>809,043</u>	<u>793,410</u>	<u>15,633</u>
After School Programs:					
Salaries of Teachers	83,588	15,096	98,684	92,502	6,182
Other Salaries for Instruction	42,725	19,742	62,467	46,217	16,250
Purchased Professional Education Services	56,448	(2,323)	54,125	53,855	270
Supplies and Materials	14,400	(9,955)	4,445	3,516	929
Total After School Programs	<u>197,161</u>	<u>22,560</u>	<u>219,721</u>	<u>196,090</u>	<u>23,631</u>
Summer School Programs:					
Salaries of Teachers	35,241	(16,351)	18,890	18,890	-
Total Summer School Programs	<u>35,241</u>	<u>(16,351)</u>	<u>18,890</u>	<u>18,890</u>	<u>-</u>
Total Instruction	<u>30,632,857</u>	<u>(47,785)</u>	<u>30,585,072</u>	<u>29,973,225</u>	<u>611,847</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	184,500	13,556	198,056	194,366	3,690
Tuition to Other LEA's - Special	15,750	(15,750)	-	-	-
Tuition to County Special Services - Regular	62,500	(17,600)	44,900	44,900	-
Tuition to County Special Services - Special	72,000	(17,644)	54,356	54,356	-
Tuition to CSSD & Regular Day Schools	1,496,250	(62,976)	1,433,274	1,380,135	53,139
Tuition to Private Schools - Within State	1,064,391	462,778	1,527,169	1,517,169	10,000
Tuition to Private Schools - Outside State	166,958	(2,629)	164,329	164,329	-
Tuition - State Facilities	101,369		101,369	101,369	-
Tuition - Other	55,762	(552)	55,210	55,210	-
Total Instruction	<u>3,219,480</u>	<u>359,183</u>	<u>3,578,663</u>	<u>3,511,834</u>	<u>66,829</u>
Attendance & Social Work Services:					
Salaries	241,423	2,580	244,003	244,003	-
Purchased Professional and Technical Services	33,000		33,000	33,000	-
Supplies and Materials	250	(250)	-	-	-
Total Attendance & Social Work Services	<u>274,673</u>	<u>2,330</u>	<u>277,003</u>	<u>277,003</u>	<u>-</u>
Health Services:					
Salaries	824,068	(81,652)	742,416	740,304	2,112
Purchased Professional and Technical Services	2,340	(358)	1,982	1,982	-
Other Purchased Services	41,395	11,940	53,335	43,737	9,598
Supplies and Materials	41,857	(11,290)	30,567	28,687	1,880
Total Health Services	<u>909,660</u>	<u>(81,360)</u>	<u>828,300</u>	<u>814,710</u>	<u>13,590</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	1,189,074	(87,442)	1,101,632	1,096,549	5,083
Purchased Professional Educational Services	337,637	102,624	440,261	409,274	30,987
Supplies and Materials	6,700	60	6,760	6,025	735
Total Other Support Services - Student - Related	<u>1,533,411</u>	<u>15,242</u>	<u>1,548,653</u>	<u>1,511,848</u>	<u>36,805</u>
Other Support Services - Extraordinary:					
Salaries	237,279	91,300	328,579	323,191	5,388
Purchased Professional Educational Services		20,052	20,052	11,746	8,306
Total Other Support Services - Extraordinary	<u>237,279</u>	<u>111,352</u>	<u>348,631</u>	<u>334,937</u>	<u>13,694</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	1,244,782	(11,863)	1,232,919	1,224,301	8,618
Salaries - Secretarial and Clerical	237,280	6,614	243,894	236,239	7,655
Other Salaries for Instruction	2,175	(2,175)	-	-	-
Purchased Professional Educational Services	1,850	(1,060)	790	790	-
Other Purchased Services	16,300	(400)	15,900	15,558	342
Supplies and Materials	8,827	(4,329)	4,498	4,014	484
Other Objects	1,050	695	1,745	1,745	-
Total Other Support Services - Students - Regular	<u>1,512,264</u>	<u>(12,518)</u>	<u>1,499,746</u>	<u>1,482,647</u>	<u>17,099</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	1,748,196	(29,648)	1,718,548	1,717,224	1,324
Salaries - Secretarial & Clerical	179,422	18,922	198,344	190,461	7,883
Purchased Professional Educational Services	2,250	710	2,960	2,748	212
Supplies & Materials	11,421	26,345	37,766	37,766	-
Other Purchased Services	10,000	2,062	12,062	12,062	-
Other Objects	14,790	(4,507)	10,283	10,283	-
Total Other Support Services - Students - Special	<u>1,966,079</u>	<u>13,884</u>	<u>1,979,963</u>	<u>1,970,544</u>	<u>9,419</u>
Improvement of Instructional Services:					
Salaries - Supervisors of Instruction	1,183,336	(39,142)	1,144,194	1,139,954	4,240
Salaries - Other Professional Staff	66,110	(30,216)	35,894	28,798	7,096
Salaries - Secretarial & Clerical	158,976	10,393	169,369	168,940	429
Purchased Professional Educational Services	1,500		1,500	1,500	-
Other Purchased Services	9,750	(1,167)	8,583	7,273	1,310
Supplies and Materials	10,850	(4,555)	6,295	5,498	797
Other Objects	18,100	(4,409)	13,691	13,501	190
Total Improvement of Instructional Services	<u>1,448,622</u>	<u>(69,096)</u>	<u>1,379,526</u>	<u>1,365,464</u>	<u>14,062</u>
Educational Media Services/School Library:					
Salaries	641,474	(22,739)	618,735	616,376	2,359
Other Salaries for Instruction	9,284		9,284	9,041	243
Salaries of Technology Coordinators	119,045	3,589	122,634	122,595	39
Purchased Professional and Technical Services	46,080	(6,285)	39,795	39,795	-
Other Purchased Services	10,174	(3,323)	6,851	6,378	473
Supplies and Materials	119,838	(7,460)	112,378	108,594	3,784
Total Educational Media Srvs/School Library	<u>945,895</u>	<u>(36,218)</u>	<u>909,677</u>	<u>902,779</u>	<u>6,898</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	2,127	17,587	17,586	1
Purchased Professional/Educational Services	32,600	13,297	45,897	31,082	14,815
Other Purchased Services	30,000	9,106	39,106	35,567	3,539
Supplies and Materials	9,100	(2,773)	6,327	5,935	392
Other Objects	5,000	(4,825)	175		175
Total Instructional Staff Training Services	<u>92,160</u>	<u>16,932</u>	<u>109,092</u>	<u>90,170</u>	<u>18,922</u>
Support Services - General Administration:					
Salaries	323,951	(43,776)	280,175	280,175	-
Legal Services	100,000	29,111	129,111	114,280	14,831
Audit Services	24,000	1,125	25,125	25,125	-
Purchased Professional Services		24,385	24,385	17,124	7,261
Communications - Telephone	84,450	(4,331)	80,119	80,119	-
Other Purchased Services	161,997	5,218	167,215	128,086	39,129
General Supplies	8,550	2,300	10,850	8,705	2,145
BOE - Supplies	3,625	(2,000)	1,625	420	1,205
Judgments		1,160	1,160		1,160
Miscellaneous	9,650	(539)	9,111	8,736	375
BOE - Membership Dues and Fees	27,000	70,732	97,732	20,961	76,771
Total Support Services - General Administration	<u>743,223</u>	<u>83,385</u>	<u>826,608</u>	<u>683,731</u>	<u>142,877</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Support Services - School Administration:					
Salaries Principals/Assistant Principals	1,513,187	6,751	1,519,938	1,519,937	1
Salaries - Secretarial and Clerical	692,474	5,255	697,729	697,294	435
Purchased Professional & Technical Services	500		500	500	-
Other Purchased Services	14,900	(295)	14,605	12,791	1,814
Supplies and Materials	22,559	(5,568)	16,991	14,338	2,653
Other Objects	12,600	(1,236)	11,364	10,777	587
Total Support Services - School Administration	<u>2,256,220</u>	<u>4,907</u>	<u>2,261,127</u>	<u>2,255,637</u>	<u>5,490</u>
Support Services - Central Services:					
Salaries	938,888	9,977	948,865	948,865	-
Purchased Technical Services	13,050	8,918	21,968	11,358	10,610
Other Purchased Services	35,100	(1,400)	33,700	32,810	890
Supplies and Materials	13,748	(1,163)	12,585	12,120	465
Miscellaneous Expenditures	7,175	(1,611)	5,564	5,564	-
Total Support Services - Central Services	<u>1,007,961</u>	<u>14,721</u>	<u>1,022,682</u>	<u>1,010,717</u>	<u>11,965</u>
Support Services - Technology Services:					
Salaries	153,473	(2,200)	151,273	150,706	567
Salaries of Secretarial & Clerical Assistants	47,278		47,278	47,278	-
Purchased Technical Services	48,439		48,439	48,205	234
Other Purchased Services	35,292	(13,855)	21,437	21,198	239
Supplies and Materials	109,226	17,116	126,342	121,829	4,513
Other Objects	200		200		200
Total Support Services - Technology Services	<u>393,908</u>	<u>1,061</u>	<u>394,969</u>	<u>389,216</u>	<u>5,753</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Allowance Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	240,983	1,170,677	1,411,660	737,512	674,148
General Supplies	150,000	122,442	272,442	224,656	47,786
Total Allowance Maint. For School Facilities	<u>390,983</u>	<u>1,293,119</u>	<u>1,684,102</u>	<u>962,168</u>	<u>721,934</u>
Operations and Maintenance of Plant Services:					
Salaries	1,685,506	(79,597)	1,605,909	1,605,419	490
Salaries for Secretarial & Clerical	60,296	1	60,297	60,297	-
Salaries - Other	1,451,994	39,658	1,491,652	1,487,096	4,556
Cleaning, Repair & Maintenance Services	454,653	197,847	652,500	561,903	90,597
Other Purchased Property Services	145,594	112	145,706	125,955	19,751
Insurance	319,831	67,477	387,308	387,143	165
Other Purchased Services	1,750	1,902	3,652	2,728	924
General Supplies	243,604	33,178	276,782	239,812	36,970
Energy (Electric)	680,000	(165,205)	514,795	514,322	473
Energy (Natural Gas)	450,000	(75,724)	374,276	373,812	464
Energy (Gasoline)	16,000	1,718	17,718	8,315	9,403
Other Objects	5,289	1,457	6,746	6,541	205
Total Operations and Maint. of Plant Services	<u>5,514,517</u>	<u>22,824</u>	<u>5,537,341</u>	<u>5,373,343</u>	<u>163,998</u>
Maintenance of Grounds:					
Salaries			-	91,767	(91,767)
Cleaning, Repair and Maintenance	146,000	(54,233)	91,767		91,767
General Supplies	40,000	(23,616)	16,384	15,739	645
Total Grounds	<u>186,000</u>	<u>(77,849)</u>	<u>108,151</u>	<u>107,506</u>	<u>645</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Security:					
Salaries	4,620	(4,620)	-		-
Other Salaries for Instruction	10,000	17,030	27,030	27,030	-
Other Salaries	465,112	(24,483)	440,629	438,929	1,700
Purchased Technical Services	7,000	20,629	27,629	27,629	-
Purchased Services	1,050	(1,050)	-		-
Supplies and Materials	5,440	66	5,506	5,506	-
Total Security	<u>493,222</u>	<u>7,572</u>	<u>500,794</u>	<u>499,094</u>	<u>1,700</u>
Student Transportation Services:					
Salaries - Non Instructional Aides	185,432	13,288	198,720	197,792	928
Salaries for Pupil Trans. (Home/School - Reg.)	177,032	(7)	177,025	176,663	362
Salaries for Pupil Trans. (Home/School - Sp. Ed)	144,080	(44,039)	100,041	100,041	-
Salaries for Pupil Trans(Other than Home/School)		27,278	27,278	27,278	-
Purchased Professional and Technical Services	8,400	2,980	11,380	10,944	436
Equipment Repair	44,000	2,037	46,037	40,017	6,020
Bus Rental	1,500	530	2,030	2,030	-
Aid In Lieu	175,916	25,203	201,119	195,878	5,241
Contracted Services:					
(Home/School) Vendors	1,727,939	(66,030)	1,661,909	1,635,815	26,094
(Other Than Home/School) Vendors	236,635	(35,099)	201,536	183,739	17,797
(Special Education) Vendors	628,241	184,805	813,046	812,776	270
(Home/School)Joint Agreements	35,714	(27,233)	8,481	8,481	-
(Special Education) Joint Agreements	145,585	(123,678)	21,907	21,200	707
(Special Education) - ECSs & CTSAAs	234,111	39,700	273,811	271,615	2,196
Miscellaneous Purchased Services	5,000	(4,500)	500	485	15
Supplies and Materials	30,396	(827)	29,569	13,076	16,493
Miscellaneous	1,105	(125)	980	975	5
Total Transportation Services	<u>3,781,086</u>	<u>(5,717)</u>	<u>3,775,369</u>	<u>3,698,805</u>	<u>76,564</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 13 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	867,000	102,000	969,000	935,128	33,872
Social Security Contributions-TPAF		13,100	13,100		13,100
Other Retirement Contributions PERS	1,094,151	(20,981)	1,073,170	1,072,726	444
Sick Leave Payout	275,000	(77,500)	197,500	160,545	36,955
Workmen's Compensation	368,505		368,505	368,505	-
Health Benefits	9,711,632	(1,242,351)	8,469,281	8,131,581	337,700
Tuition Reimbursements	104,000		104,000	80,928	23,072
Other Employee Benefits	88,828	341,493	430,321	430,130	191
Total Unallocated Benefits	<u>12,509,116</u>	<u>(884,239)</u>	<u>11,624,877</u>	<u>11,179,543</u>	<u>445,334</u>
On Behalf TPAF Contributions (Non-Budgeted)			-	6,804,157	(6,804,157)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,245,116	(2,245,116)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,049,273</u>	<u>(9,049,273)</u>
Total Undistributed Expenditures	<u>39,415,759</u>	<u>779,515</u>	<u>40,195,274</u>	<u>47,470,969</u>	<u>(7,275,695)</u>
Total Expenditures - Current Expense	<u>70,048,616</u>	<u>731,730</u>	<u>70,780,346</u>	<u>77,444,194</u>	<u>(6,663,848)</u>
Capital Outlay:					
Non-Instructional Equipment		201,693	201,693	201,693	-
Instructional Equipment		122,350	122,350	6,330	116,020
Other Equipment		37,442	37,442		37,442
School Buses			-		-
Total Equipment	<u>-</u>	<u>361,485</u>	<u>361,485</u>	<u>208,023</u>	<u>153,462</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 14 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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		21,811	21,811	10,541	11,270
Construction Services		1,050,655	1,050,655	576,584	474,071
Other Objects	131,864		131,864	131,864	-
Other Equipment		50,088	50,088	16,373	33,715
Non Instructional Equipment		52,920	52,920	52,920	-
Total Facilities Acquisition and Construction Svcs.	<u>131,864</u>	<u>1,175,474</u>	<u>1,307,338</u>	<u>788,282</u>	<u>519,056</u>
Total Capital Outlay	<u>131,864</u>	<u>1,536,959</u>	<u>1,668,823</u>	<u>996,305</u>	<u>672,518</u>
Transfer to Food Services	30,000		30,000		30,000
Transfer to Charter Schools	<u>25,362</u>	<u>(14,869)</u>	<u>10,493</u>	<u>10,493</u>	
Total Expenditures	<u>70,235,842</u>	<u>2,253,820</u>	<u>72,489,662</u>	<u>78,450,992</u>	<u>(5,961,330)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,528,000)</u>	<u>(2,153,214)</u>	<u>(3,681,214)</u>	<u>123,731</u>	<u>(3,804,945)</u>
Other Financing Sources and (Uses)					
Cancel Prior Years Accounts Payable			-	16,633	16,633
Transfer from Capital Projects			-	131,464	131,464
Adjustment from Prior Years Overpayment				(1,896)	(1,896)
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,201</u>	<u>146,201</u>
Excess (Deficiency) of Revenues Over/(under) Expenditures and Other Financing Sources (Uses)	<u>(1,528,000)</u>	<u>(2,153,214)</u>	<u>(3,681,214)</u>	<u>269,932</u>	<u>(3,658,744)</u>
Fund Balance July 1	<u>7,023,058</u>		<u>7,023,058</u>	<u>7,023,058</u>	
Fund Balance June 30	<u>\$ 5,495,058</u>	<u>(2,153,214)</u>	<u>3,341,844</u>	<u>7,292,990</u>	<u>(3,658,744)</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Recapitulation:					
Committed Fund Balance:					
Maintenance Reserve				\$ 448,046	
Capital Reserve				1,452,863	
Emergency Reserve				200,000	
Excess Surplus - Current Year				56,862	
Assigned Fund Balance:					
Designated For Subsequent Years Expenditures - Capital Reserve				400,000	
Year End Encumbrances				1,809,519	
Designated For Subsequent Years Expenditures				1,070,000	
Unassigned Fund Balance				<u>1,855,700</u>	
				7,292,990	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				<u>(238,751)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 7,054,239</u>	

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

Sheet 1 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 1,181,000		1,181,000	895,473	
Federal Sources	1,663,000		1,663,000	1,956,230	
Local Sources	913,258	(151,711)	761,547	753,844	
Total Revenues	<u>\$ 3,757,258</u>	<u>(151,711)</u>	<u>3,605,547</u>	<u>3,605,547</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 600,258	(101,827)	498,431	498,431	
Other Salaries for Instruction	200,000	(499)	199,501	199,501	
Purchased Professional and Technical Services	1,300,000	(259,411)	1,040,589	1,040,589	
Other Purchased Services	800,000	72,232	872,232	872,232	
General Supplies	200,000	97,891	297,891	297,891	
Textbooks	107,000	(29,550)	77,450	77,450	
Other Objects	10,000	23,419	33,419	33,419	
Total Instruction	<u>3,217,258</u>	<u>(197,745)</u>	<u>3,019,513</u>	<u>3,019,513</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, 2018

	<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	100,000	69,448	169,448	169,448	
Purchased Professional - Educational Services	150,000	81	150,081	150,081	
Other Purchased Services	40,000	1,169	41,169	41,169	
Supplies and Materials	40,000	212	40,212	40,212	
Other Objects	10,000	1,999	11,999	11,999	
Total Support Services	<u>340,000</u>	<u>72,909</u>	<u>412,909</u>	<u>412,909</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	<u>200,000</u>	<u>(26,875)</u>	<u>173,125</u>	<u>173,125</u>	<u>-</u>
Total Facilities Acquisition and Construction Services	<u>200,000</u>	<u>(26,875)</u>	<u>173,125</u>	<u>173,125</u>	<u>-</u>
Total Expenditures	<u>\$ 3,757,258</u>	<u>(151,711)</u>	<u>3,605,547</u>	<u>3,605,547</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE TOWNSHIP SCHOOL DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATION**NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 78,574,723	3,605,547
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		96,209
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	204,427	47,348
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(238,751)</u>	<u>(8,708)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 78,540,399</u>	<u>3,740,396</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 78,450,992	3,605,547
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>96,209</u>
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 78,450,992</u>	<u>3,701,756</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 FIVE FISCAL YEARS

	<u>2017</u>	<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%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 25,349,019	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>	<u>-</u>
Total	<u>\$ 25,349,019</u>	<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	\$ 7,374,034	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	29.09%	22.77%	29.54%	36.20%	36.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.78%	31.20%	38.21%	42.74%	40.71%

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 999,094	999,094	933,333	857,919	897,866
Contributions in Relation to the Contractually Required Contribution	<u>999,094</u>	<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>	<u>-</u>
District's Covered-Employee Payroll	\$ 7,374,034	7,239,011	7,316,171	7,501,042	7,645,151
Contributions as a Percentage of Covered-Employee Payroll	13.55%	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 FIVE FISCAL YEARS

	<u>2017</u>	<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%	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>183,149,149</u>	<u>221,848,042</u>	<u>181,236,438</u>	<u>151,832,317</u>	<u>150,174,286</u>
Total	<u>\$ 183,149,149</u>	<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	\$ 29,216,982	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	15.95%	12.26%	15.42%	18.62%	18.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR OPEB (GASB 75) - M**

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOSLAST TWO FISCAL YEARS

Exhibit M-1

	<u>2017</u>	<u>2016</u>
<u>State of New Jersey's Total OPEB Liability</u>		
Service Cost	\$ 2,391,878,884	1,723,999,319
Interest	1,699,441,736	1,823,643,792
Benefit Payments	(1,242,412,566)	(1,223,298,019)
Member Contributions	45,748,749	46,273,747
Change of Assumptions	(7,086,599,129)	8,611,513,521
Net Change in Total OPEB Liability	<u>(4,191,942,326)</u>	<u>10,982,132,360</u>
Total OPEB Liability - Beginning	<u>57,831,784,184</u>	<u>46,849,651,824</u>
Total OPEB Liability - Ending	<u>\$ 53,639,841,858</u>	<u>57,831,784,184</u>
<u>State's OPEB Liability Attributable to the District</u>		
Service Cost	\$ 6,618,527	*
Interest	4,867,098	*
Benefit Payments	(3,555,429)	*
Member Contributions	130,920	*
Change of Assumptions	(20,416,334)	*
Net Change in Total OPEB Liability	<u>(12,355,218)</u>	<u>*</u>
Total Attributable OPEB Liability - Beginning	<u>165,857,065</u>	<u>*</u>
Total Attributable OPEB Liability - Ending	<u>\$ 153,501,847</u>	<u>165,857,065</u>
District's Proportionate Share of Total OPEB Liability	Zero	Zero
District's Covered Payroll	\$ 36,591,016	34,426,984
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%
District's Contribution	None	None
State Covered Employee Payroll (6/30/16 Census Data)	\$ 13,493,400,208	13,493,400,208
Total State OPEB Liability as a Percentage of it's Covered-Employee Payroll	397.53%	428.59%

* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

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, 2018

Exhibit E-1
Sheet 1 of 3

	Title I	Title IIA	Title III	Title III Immigrant	I.D.E.A. Basic	I.D.E.A. Preschool	NJSBAIG Safety Grant	BF Sustainable Jersey	LES Sustainable Jersey
Revenues:									
State Sources	\$ -								
Federal Sources	344,389	60,485	11,394	3,733	1,511,576	17,153			
Local Sources							17,936	3,789	10,000
Total Revenues	\$ 344,389	60,485	11,394	3,733	1,511,576	17,153	17,936	3,789	10,000
Expenditures:									
Instruction:									
Salaries of Teachers	\$ 217,300	7,326	10,236						
Other Salaries for Instruction									
Purchased Professional and Technical Svcs.	2,040				530,418				
Other Purchased Services					870,844				
General Supplies	46,548		375	2,812	79,542			2,569	10,000
Textbooks									
Other Objects									
Total Instruction	265,888	7,326	10,611	2,812	1,480,804	-	-	2,569	10,000
Support Services:									
Personnel Services - Employee Benefits	16,623	560	783						
Purchased Professional and Technical Svcs.	54,387	26,769			30,772	17,153			
Other Purchased Services	7,170	23,104		673				1,220	
Supplies and Materials	321	2,726		248					
Other Objects									
Total Support Services	78,501	53,159	783	921	30,772	17,153	-	1,220	-
Facilities Acquisition and Construction Services:									
Instructional Equipment							17,936		
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	17,936	-	-
Total Expenditures	\$ 344,389	60,485	11,394	3,733	1,511,576	17,153	17,936	3,789	10,000

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Exhibit E-1
Sheet 2 of 3

	<u>Non-Public Textbooks</u>	<u>Nursing Services</u>	<u>ESL</u>	<u>Compensatory Education</u>	<u>Temporary Emergency Impact Aid</u>	<u>Corrective Speech</u>	<u>Examination & Classification</u>	<u>Security</u>	<u>Supplementary Instruction</u>
Revenues:									
State Sources	77,450	195,331	6,323	38,977		37,676	142,684	134,134	75,410
Federal Sources					7,500				
Local Sources									
Total Revenues	<u>77,450</u>	<u>195,331</u>	<u>6,323</u>	<u>38,977</u>	<u>7,500</u>	<u>37,676</u>	<u>142,684</u>	<u>134,134</u>	<u>75,410</u>
Expenditures:									
Instruction:									
Salaries of Teachers									
Other Salaries for Instruction									
Purchased Professional and Technical Svcs.		195,331	6,323	38,977		37,676	142,684		75,410
Other Purchased Services									
General Supplies									
Textbooks	77,450								
Other Objects									
Total Instruction	<u>77,450</u>	<u>195,331</u>	<u>6,323</u>	<u>38,977</u>	<u>-</u>	<u>37,676</u>	<u>142,684</u>	<u>-</u>	<u>75,410</u>
Support Services:									
Personnel Services - Employee Benefits									
Purchased Professional/Educational Svcs.									
Other Purchased Services									
Supplies and Materials					7,500			28,945	
Other Objects									
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>28,945</u>	<u>-</u>
Facilities Acquisition and Construction Services:									
Instructional Equipment								105,189	
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,189</u>	<u>-</u>
Total Expenditures	<u>77,450</u>	<u>195,331</u>	<u>6,323</u>	<u>38,977</u>	<u>7,500</u>	<u>37,676</u>	<u>142,684</u>	<u>134,134</u>	<u>75,410</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Exhibit E-1
Sheet 3 of 3

	Preschool Education	Non-Public Technology	Tech Lab	LTEF BMS	2018 Spring LTEF	2018 Fall LTEF	2018 Winter LTEF	2017 Spring LTEF	2017 Winter LTEF	FY17 Asia Grant	FY18 Asia Grant	Empower Somerset Grant	J & J Health	Non-Public Home Instruction	Totals 2018
Revenues:															
State Sources	132,000	54,618												870	895,473
Federal Sources															1,956,230
Local Sources	485,609		7,192	22,147	46,620	41,351	50,000	12,247	40,273	13,232	314	3,132	2		753,844
Total Revenues	617,609	54,618	7,192	22,147	46,620	41,351	50,000	12,247	40,273	13,232	314	3,132	2	870	3,605,547
Expenditures:															
Instruction:															
Salaries of Teachers	260,764											2,805			498,431
Other Salaries for Instruction	199,501														199,501
Purchased Professional and Technical Svcs.						4,410		1,500	4,950					870	1,040,589
Other Purchased Services						1,388									872,232
General Supplies	5,862	54,618	7,192	10,148	33,355	25,087		10,647	4,921	3,572	314	327	2		297,891
Textbooks															77,450
Other Objects					13,265	9,994		100	7,215	2,845					33,419
Total Instruction	466,127	54,618	7,192	10,148	46,620	40,879	-	12,247	17,086	6,417	314	3,132	2	870	3,019,513
Support Services:															
Personnel Services - Employee Benefits	151,482														169,448
Purchased Professional/Educational Svcs.									21,000						150,081
Other Purchased Services									2,187	6,815					41,169
Supplies and Materials						472									40,212
Other Objects				11,999											11,999
Total Support Services	151,482	-	-	11,999	-	472	-	-	23,187	6,815	-	-	-	-	412,909
Facilities Acquisition and Construction Services:															
Construction Services							50,000								173,125
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	50,000	-	-	-	-	-	-	-	173,125
Total Expenditures	617,609	54,618	7,192	22,147	46,620	41,351	50,000	12,247	40,273	13,232	314	3,132	2	870	3,605,547

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit E-2

SPECIAL REVENUE FUND

SCHEDULE OF PRESCHOOL EDUCATION AID

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 343,391	260,764	82,627
Other Salaries of Instruction	279,419	199,501	79,918
General Supplies	14,643	5,862	8,781
Total Instruction	<u>637,453</u>	<u>466,127</u>	<u>171,326</u>
Support Services:			
Employee Benefits	222,448	151,482	70,966
Total Support Services	<u>222,448</u>	<u>151,482</u>	<u>70,966</u>
Total Expenditures	<u>\$ 859,901</u>	<u>617,609</u>	<u>242,292</u>

Calculation of Budget & Carryover

Total Revised 2017-18 Preschool Education Aid Allocation	\$ 132,000
Add: Actual PEA Carryover (June 30, 2018)	14,643
Add: Local Tuition	123,500
Add: Transfer from General Fund Budget	<u>350,051</u>
Total Preschool Education Aid Funds Available for 2017-18 Budget	620,194
Less: 2017-18 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(859,901)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2018	\$ (239,707)
Add: June 30, 2018 Unexpended Preschool Education Aid	<u>242,292</u>
2017-18 Carryover - Preschool Education Aid Program	<u>\$ 2,585</u>
2017-18 Preschool Education Aid Carryover Budgeted for Preschool Programs 2018-19	<u>\$ 2,585</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, 2018

<u>Issue/Project Title</u>	<u>Date Approved</u>	<u>Balance June 30, 2017</u>	<u>Transfers</u>	<u>Cancelled Capital Reserve</u>	<u>Current Year Expended</u>	<u>Unexpended Balance</u>
Benjamin Franklin - Heating and Ventilating and Chimney	1/6/2014	\$ 3,758		3,758		-
Lawrenceville Elem. - Heating and Ventilating	1/6/2014	1,469		1,469		-
Slackwood - Heating and Ventilating	1/6/2014	2,624		2,624		-
Eldridge Park-Heating and Ventilating	1/6/2014	4,857		4,857		-
Lawrence Intermediate - Heating and Ventilating	1/6/2014	41,094	(16,438)	24,656		32,876
Lawrence Middle School - Heating and Ventilating	1/6/2014	47,778		22,104	25,674	
Lawrence High School - Chimney	1/6/2014	53,341	18,654	71,995		
Benjamin Franklin - HVAC, Security & Modular Bldg.	8/15/2017				7,755	(7,755)
Lawrence Elementary - HVAC, Security & Modular Bldg.	8/15/2017				7,250	(7,250)
Slackwood - HVAC, Security & Modular Bldg.	8/15/2017				7,250	(7,250)
Eldridge Park-HVAC, Security & Modular Bldg.	8/15/2017				1,150	(1,150)
Lawrence Intermediate - HVAC, Security & Modular Bldg.	8/15/2017				1,000	(1,000)
Lawrence Middle School - HVAC, Security & Modular Bldg.	8/15/2017				76,304	(76,304)
Lawrence High School - HVAC, Security & Modular Bldg.	8/15/2017				7,780	(7,780)
Administration & Maintenance Bldg Improvements	8/15/2017				1,000	(1,000)
		<u>\$ 154,921</u>	<u>2,216</u>	<u>131,463</u>	<u>135,163</u>	<u>(109,489)</u>

CAPITAL PROJECTS FUND

Exhibit F-2

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

Expenditures

Professional Services	\$ 121,573
Other	13,590
Total Expenditures	<u>135,163</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,163)
Other Financing Sources (Uses)	
Prior Year Encumbrances Paid	(726,367)
Transfer to Capital Reserve	(131,464)
Cancel Accounts Receivable	(1,165,955)
Total Other Financing Sources (Uses)	<u>(2,023,786)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(2,158,949)
Fund Balance - Beginning	<u>2,049,460</u>
Fund Balance - Ending	<u>\$ (109,489)</u>

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, 2018

	<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	211,797		211,797	211,797
Total Revenues	<u>292,797</u>	<u>-</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	246,770		246,770	246,770
Total Expenditures	<u>289,039</u>	<u>-</u>	<u>289,039</u>	<u>289,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,758</u>	<u>-</u>	<u>3,758</u>	<u>3,758</u>
Transferred to Capital Reserve			<u>\$ 3,758</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	100%			

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, 2018

	<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	113,300		113,300	113,300
Total Revenues	<u>165,500</u>	<u>-</u>	<u>165,500</u>	<u>165,500</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	155,173		155,173	155,173
Professional Technical Services	8,858		8,858	8,858
Total Expenditures	<u>164,031</u>	<u>-</u>	<u>164,031</u>	<u>164,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,469</u>	<u>-</u>	<u>1,469</u>	<u>1,469</u>
Transferred to Capital Reserve			<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, 2018

	<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	139,253		139,253	139,253
Total Revenues	<u>205,853</u>	<u>-</u>	<u>205,853</u>	<u>205,853</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	191,926		191,926	191,926
Professional Technical Services	11,303		11,303	11,303
Total Expenditures	<u>203,229</u>	<u>-</u>	<u>203,229</u>	<u>203,229</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,624</u>	<u>-</u>	<u>2,624</u>	<u>2,624</u>
Transferred to Capital Reserve			<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, 2018

	<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	127,200		127,200	127,200
Total Revenues	<u>172,000</u>	<u>-</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	157,440		157,440	157,440
Total Expenditures	<u>167,143</u>	<u>-</u>	<u>167,143</u>	<u>167,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,857</u>	<u>-</u>	<u>4,857</u>	<u>4,857</u>
Transferred to Capital Reserve			<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 FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE HVAC AT LAWRENCE INTERMEDIATE

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<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	(16,438)	174,762	174,764
Transfer from Capital Reserve	186,800		186,800	186,800
Total Revenues	<u>378,000</u>	<u>(16,438)</u>	<u>361,562</u>	<u>361,564</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	33,020		33,020	33,020
Construction Services	303,886		303,886	303,886
Total Expenditures	<u>336,906</u>	<u>-</u>	<u>336,906</u>	<u>336,906</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 41,094</u>	<u>(16,438)</u>	<u>24,656</u>	<u>24,658</u>
Transferred to Capital Reserve			<u>\$ 24,656</u>	
<u>Additional Project Information</u>				
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	\$ 336,906			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	100%			
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, 2018

	<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	892,678		892,678	892,678
Total Revenues	<u>1,294,278</u>	<u>-</u>	<u>1,294,278</u>	<u>1,294,278</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	26,978	15,278	42,256	42,256
Other Purchased Professional & Tech Services	1,050	685	1,735	1,735
Construction Services	335,385	892,798	1,228,183	1,228,183
Total Expenditures	<u>363,413</u>	<u>908,761</u>	<u>1,272,174</u>	<u>1,272,174</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 930,865</u>	<u>(908,761)</u>	<u>22,104</u>	<u>22,104</u>
Transferred to Capital Reserve			<u>\$ 22,104</u>	

Additional Project Information

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	\$ 1,272,124
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	100%
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, 2018

	<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	\$ 492,000		492,000	492,000
Transfer From Capital Reserve	1,135,302		1,135,302	1,135,302
Total Revenues	<u>1,627,302</u>	<u>-</u>	<u>1,627,302</u>	<u>1,627,302</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	92,311	800	93,111	93,111
Construction Services	470,197	991,999	1,462,196	1,462,196
Total Expenditures	<u>562,508</u>	<u>992,799</u>	<u>1,555,307</u>	<u>1,555,307</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,064,794</u>	<u>(992,799)</u>	<u>71,995</u>	<u>71,995</u>
Transferred to Capital Reserve			<u>\$ 71,995</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	\$ 1,555,307			
Percentage Increase Over Original Authorized Cost	None			
Percentage Completion	100%			
Original Target Completion Date	12/31/15			
Revised Target Completion Date	12/31/17			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3A

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND HVACFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ -		-	2,319,821
Total Revenues	-	-	-	2,319,821
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		5,343	5,343	171,549
Construction Services			-	1,851,470
Other		2,412	2,412	296,802
Total Expenditures	-	7,755	7,755	2,319,821
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	(7,755)	(7,755)	-

Additional Project Information

Original Authorized Cost	\$ 2,319,821
Revised Authorized Cost	\$ 2,319,821
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	0%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3B

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND THE HVAC AT LAWRENCE ELEMENTARYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ -		-	2,319,821
Total Revenues	-	-	-	2,319,821
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		6,250	6,250	369,614
Construction Services			-	1,680,930
Other		1,000	1,000	269,277
Total Expenditures	-	7,250	7,250	2,319,821
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	(7,250)	(7,250)	-
<u>Additional Project Information</u>				
Original Authorized Cost		\$ 2,106,142		
Revised Authorized Cost		\$ 2,106,142		
Percentage Increase Over Original Authorized Cost		None		
Percentage Completion		0%		
Original Target Completion Date		12/31/19		
Revised Target Completion Date		12/31/19		

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3C

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND HVAC AT SLACKWOOD SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ -		-	2,774,456
Total Revenues	-	-	-	2,774,456
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		6,250	6,250	199,823
Construction Services			-	2,214,318
Other		1,000	1,000	360,315
Total Expenditures	-	7,250	7,250	2,774,456
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	(7,250)	(7,250)	-
<u>Additional Project Information</u>				
Original Authorized Cost		\$ 2,774,456		
Revised Authorized Cost		\$ 2,774,456		
Percentage Increase Over Original Authorized Cost		None		
Percentage Completion		0%		
Original Target Completion Date		12/31/19		
Revised Target Completion Date		12/31/19		

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3D

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE SECURITY,MODULAR BLDG AND HVAC AT ELDRIDGE PARK

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ -		-	2,423,978
Total Revenues	-	-	-	2,423,978
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		150	150	179,182
Construction Services			-	1,934,598
Other		1,000	1,000	310,198
Total Expenditures	-	1,150	1,150	2,423,978
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	(1,150)	(1,150)	-
<u>Additional Project Information</u>				
Original Authorized Cost		\$ 2,423,978		
Revised Authorized Cost		\$ 2,423,978		
Percentage Increase Over Original Authorized Cost			None	
Percentage Completion			0%	
Original Target Completion Date			12/31/19	
Revised Target Completion Date			12/31/19	

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3E

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE SECURITY AND HVAC AT LAWRENCE INTERMEDIATE

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ -		-	3,906,846
Total Revenues	-	-	-	3,906,846
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services			-	288,010
Construction Services			-	3,118,088
Other		1,000	1,000	500,748
Total Expenditures	-	1,000	1,000	3,906,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	(1,000)	(1,000)	-

Additional Project Information

Original Authorized Cost	\$ 3,906,846
Revised Authorized Cost	\$ 3,906,846
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	0%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3F

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE SECURITY , HVAC AND ELEVATOR AT LAWRENCE MIDDLE SCHOOL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ -		-	5,763,829
Total Revenues	-	-	-	5,763,829
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		73,804	73,804	829,248
Construction Services			-	4,192,417
Other		2,500	2,500	742,164
Total Expenditures	-	76,304	76,304	5,763,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	(76,304)	(76,304)	-

Additional Project Information

Original Authorized Cost	\$ 5,763,829
Revised Authorized Cost	\$ 5,763,829
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	0%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3G

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE SECURITY , HVAC AND ELEVATOR AT LAWRENCE HIGH SCHOOL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ -		-	5,332,519
Total Revenues	-	-	-	5,332,519
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		4,788	4,788	393,011
Construction Services			-	4,250,208
Other		2,992	2,992	689,300
Total Expenditures	-	7,780	7,780	5,332,519
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	(7,780)	(7,780)	-
<u>Additional Project Information</u>				
Original Authorized Cost		\$ 5,332,519		
Revised Authorized Cost		\$ 5,332,519		
Percentage Increase Over Original Authorized Cost		None		
Percentage Completion		0%		
Original Target Completion Date		12/31/19		
Revised Target Completion Date		12/31/19		

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3H

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE ADMINISTRATIVE AND MAINTENANCE BUILDINGFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ -		-	477,949
Total Revenues	-	-	-	477,949
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services			-	39,321
Construction Services			-	381,455
Other		1,000	1,000	57,173
Total Expenditures	-	1,000	1,000	477,949
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	(1,000)	(1,000)	-
<u>Additional Project Information</u>				
Original Authorized Cost		\$ 477,949		
Revised Authorized Cost		\$ 477,949		
Percentage Increase Over Original Authorized Cost		None		
Percentage Completion		0%		
Original Target Completion Date		12/31/19		
Revised Target Completion Date		12/31/19		

PROPRIETARY FUNDS – G

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDSJUNE 30, 2018

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Total 2018</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 131,987	5,682	137,669
Accounts Receivable:			
State	3,210		3,210
Federal	99,129		99,129
Other	33,500		33,500
Inventory	37,578		37,578
Total Current Assets	<u>305,404</u>	<u>5,682</u>	<u>311,086</u>
Noncurrent Assets:			
Equipment	890,974		890,974
Accumulated Depreciation	(584,419)		(584,419)
Total Noncurrent Assets	<u>306,555</u>	<u>-</u>	<u>306,555</u>
Total Assets	<u>\$ 611,959</u>	<u>5,682</u>	<u>617,641</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 218,686		218,686
Total Liabilities	<u>\$ 218,686</u>	<u>-</u>	<u>218,686</u>
<u>Net Position</u>			
Investment in Capital Assets	\$ 306,555		306,555
Unrestricted	86,718	5,682	92,400
Total Net Position	<u>\$ 393,273</u>	<u>5,682</u>	<u>398,955</u>

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2018

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Total 2018</u>
Operating Revenues:			
Local Sources:			
Daily Sales Reimbursable Programs:			
School Lunch Program	\$ 570,039		570,039
Daily Sales Non-Reimbursable Programs	270,100		270,100
Miscellaneous	30,000		30,000
Fees		7,245	7,245
Total Operating Revenues	<u>870,139</u>	<u>7,245</u>	<u>877,384</u>
Operating Expenses:			
Salaries & Benefits	535,451		535,451
Supplies and Materials	99,590		99,590
Repairs	48,881		48,881
Miscellaneous	82,150	3,768	85,918
Cost of Sales - Reimbursable Programs	458,486		458,486
Cost of Sales - Non Reimbursable Programs	215,758		215,758
Management Fee	35,360		35,360
Total Operating Expenses	<u>1,475,676</u>	<u>3,768</u>	<u>1,479,444</u>
Operating Income (Loss)	<u>(605,537)</u>	<u>3,477</u>	<u>(602,060)</u>
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	15,314		15,314
Federal Sources:			
National School Lunch Program	416,112		416,112
HHFKA Lunch Program	17,686		17,686
School Breakfast Program	39,780		39,780
Commodities	78,186		78,186
Total Non-Operating Revenues	<u>567,078</u>	<u>-</u>	<u>567,078</u>
Net Income (Loss)	(38,459)	3,477	(34,982)
Adjustment for Fixed Assets	226,309		226,309
Net Position, July 1	<u>205,423</u>	<u>2,205</u>	<u>207,628</u>
Net Position, June 30	<u>\$ 393,273</u>	<u>5,682</u>	<u>398,955</u>

SCHEDULE OF CASH FLOWS

ENTERPRISE FUNDS

JUNE 30, 2018

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Total 2018</u>
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ (605,537)	3,477		(602,060)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Commodities	78,186			78,186
Change in Assets and Liabilities				
Decrease/(Increase) in Inventory	3,256			3,256
(Increase)/Decrease in Accounts Receivable	(100,439)			(100,439)
Increase/(Decrease) in Accounts Payable	127,982		(280)	127,702
Net Cash Used By Operating Activities	<u>(496,552)</u>	<u>3,477</u>	<u>(280)</u>	<u>(493,355)</u>
Cash Flows from Noncapital Financing Activities:				
Cash Received From State and Federal Reimbursements	488,892			488,892
Net Cash Provided Noncapital Financing Activities:	<u>488,892</u>	<u>-</u>	<u>-</u>	<u>488,892</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(7,660)	3,477	(280)	(4,463)
Cash and Cash Equivalents, July 1	<u>139,647</u>	<u>2,205</u>	<u>280</u>	<u>142,132</u>
Cash and Cash Equivalents, June 30	<u>\$ 131,987</u>	<u>5,682</u>	<u>-</u>	<u>137,669</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, 2018

	<u>Scholarship Fund Non-Expendable Trust Fund</u>	<u>Payroll Agency</u>	<u>Student Activity</u>	<u>Summer Savings</u>	<u>Payroll Agency Summer</u>	<u>Unemployment Compensation Expendable Trust</u>	<u>Total 2018</u>
Assets:							
Cash and Cash Equivalents	\$ 34,469	414,048	166,698	1,586,520	6,842	512,525	2,721,102
Total Assets	<u>34,469</u>	<u>414,048</u>	<u>166,698</u>	<u>1,586,520</u>	<u>6,842</u>	<u>512,525</u>	<u>2,721,102</u>
Liabilities and Fund Balances:							
Liabilities:							
Accrued Salaries - Summer Savings				1,586,520	6,842		1,593,362
Payroll Withholdings		414,048					414,048
Due to Student Groups			166,698				166,698
Total Liabilities		<u>414,048</u>	<u>166,698</u>	<u>1,586,520</u>	<u>6,842</u>	<u>-</u>	<u>2,174,108</u>
Net Position:							
Reserved - Scholarships	34,469						34,469
Reserved - Unemployment Benefits						512,525	512,525
Total Net Position	<u>\$ 34,469</u>					<u>512,525</u>	<u>546,994</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTEXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGESIN FIDUCIARY NET POSITIONJUNE 30, 2018

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 2,450		2,450
Total Additions	<u>2,450</u>	<u>-</u>	<u>2,450</u>
Deductions:			
Unemployment		43,464	43,464
Scholarship Payments	1,950		1,950
Total Deductions	<u>1,950</u>	<u>43,464</u>	<u>45,414</u>
Change in Net Position	500	(43,464)	(42,964)
Net Position, July 1	<u>33,969</u>	<u>555,888</u>	<u>589,857</u>
Net Position, June 30	<u>\$ 34,469</u>	<u>512,424</u>	<u>546,893</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Elementary Schools</u>				
Benjamin Franklin	\$ 1,030	4,000	4,326	704
Eldridge Park	3,528	5,975	7,044	2,459
Lawrenceville	1,196	6,522	5,217	2,501
Slackwood	2,417	3,684	4,517	1,584
Total Elementary Schools	<u>8,171</u>	<u>20,181</u>	<u>21,104</u>	<u>7,248</u>
<u>Junior High Schools</u>				
Lawrence Intermediate	10,306	18,898	20,565	8,639
Lawrence Middle	58,939	68,935	76,595	51,279
Total Junior High Schools	<u>69,245</u>	<u>87,833</u>	<u>97,160</u>	<u>59,918</u>
<u>Senior High Schools</u>				
Lawrence High	123,582	214,452	238,502	99,532
Total Senior High Schools	<u>123,582</u>	<u>214,452</u>	<u>238,502</u>	<u>99,532</u>
Total - All Schools	<u>\$ 200,998</u>	<u>322,466</u>	<u>356,766</u>	<u>166,698</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Assets:				
Cash and Cash Equivalents	\$ 363,762	54,086,640	54,036,354	414,048
Total Assets	<u>\$ 363,762</u>	<u>54,086,640</u>	<u>54,036,354</u>	<u>414,048</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 363,762	54,086,640	54,036,354	414,048
Total Liabilities	<u>\$ 363,762</u>	<u>54,086,640</u>	<u>54,036,354</u>	<u>414,048</u>

SUMMER SAVINGSSCHEDULE OF RECEIPTS AND DISBURSEMENTS

Exhibit H-5

JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Assets:				
Cash and Cash Equivalents	\$ 1,392,043	1,586,520	1,392,043	1,586,520
Total Assets	<u>\$ 1,392,043</u>	<u>1,586,520</u>	<u>1,392,043</u>	<u>1,586,520</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 1,392,043	1,586,520	1,392,043	1,586,520
Total Liabilities	<u>\$ 1,392,043</u>	<u>1,586,520</u>	<u>1,392,043</u>	<u>1,586,520</u>

LONG-TERM DEBT - I

LAWRENCE TOWNSHIP SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2018

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2017</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>				
2011 Refunding Issue	3/1/2012	\$18,450,000	3/1/2019	\$ 1,955,000	4.00%	\$ 12,570,000	1,880,000	10,690,000
			3/1/2020	2,035,000				
			3/1/2021	2,120,000				
			3/1/2022	2,230,000				
			3/1/2023	2,350,000				
Solar Energy	6/24/2008	10,508,000	7/15/2018	520,000	4.25%	1,020,000	500,000	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>\$ 20,025,000</u>	<u>2,380,000</u>	<u>17,645,000</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,894,161		2,894,161	2,894,161	
Miscellaneous				101,741	101,741
State Aid	267,480		267,480	267,480	-
Total Revenues	<u>3,161,641</u>	<u>-</u>	<u>3,161,641</u>	<u>3,263,382</u>	<u>101,741</u>
Expenditures:					
Regular Debt Service:					
Interest	826,769		826,769	826,769	-
Redemption of Principal	2,380,000		2,380,000	2,380,000	-
Total Regular Debt Service	<u>3,206,769</u>	<u>-</u>	<u>3,206,769</u>	<u>3,206,769</u>	<u>-</u>
Total Expenditures	<u>3,206,769</u>	<u>-</u>	<u>3,206,769</u>	<u>3,206,769</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,128)	-	(45,128)	56,613	101,741
Fund Balance July 1	<u>48,879</u>		<u>48,879</u>	<u>48,879</u>	
Fund Balance June 30	<u>\$ 3,751</u>	<u>-</u>	<u>3,751</u>	<u>105,492</u>	<u>101,741</u>

STATISTICAL SECTION

(Unaudited)

LAWRENCE TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities											
Invested in Capital Assets, net of related Debt	1 \$ 88,891,008	\$ 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 \$ 5,767,723	\$ 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 \$ (23,349,624)	\$ (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	\$ 71,309,107	\$ 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 \$ 306,555	\$ 80,246	\$ 284,726	\$ 312,475	\$ 335,697	\$ 372,996	\$ 290,159	\$ 351,612	\$ 385,909	\$ 113,096	\$ 70,000
Unrestricted	5 \$ 92,400	\$ 127,382	\$ 242,288	\$ 338,313	\$ 432,780	\$ 312,079	\$ 242,448	\$ 557,863	\$ 567,891	\$ 363,590	\$ 425,971
Total Business Type Activities	\$ 398,955	\$ 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	\$ 89,197,563	\$ 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	\$ 5,767,723	\$ 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	\$ (23,257,224)	\$ (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	\$ 71,708,062	\$ 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

FUND BALANCES, GOVERNMENT FUNDS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund: (Note 11)											
Undesignated prior to Excess Calc.	\$ 1,512,562	\$ 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	\$ 1,512,562	\$ 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)	\$ 105,492	\$ 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	\$ 105,492	\$ 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	\$ 1,512,562	\$ 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/Exhibit B1 & B2

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

J-5

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>
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	209,934	107,755	523,863
2016	229,125	25,092	2,964	213,193	60,864	531,238
2017	103,524	36,695	3,568	306,812	144,099	594,698
2018	20,632	68,897	3,000	240,755	253,063	586,346

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.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities *	Net Valuation Taxable	Estimated Actual	Total Direct
												(County Equalized) Value	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	835,289,973	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
2018	46,919,900	2,783,359,900	30,125,800	684,400	1,479,861,400	62,391,650	215,961,300	4,619,304,350	753,381,067	6,168,711	4,625,473,061	4,978,710,417	1.483

Source: Mercer County Tax Assessor\Ratable Breakdown & Synopsis by Municipality (In 2018, Data was provide via Tax Assessor's Table of Aggregates)
<http://www.mercercounty.org>

Note: 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

N/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	
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
2018	1.421	0.062	1.483	0.557	0.030	0.638	0.065	0.027	2.800

Source: Mercer County Abstract of Ratables

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-8

SCHEDULE OF PRINCIPAL TAXPAYERS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2018			2009		
	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	\$ 412,754,604	1	7.34%	\$ 189,619,000	1	7.05%
Quakerbridge Mall	\$ 144,600,000	2	2.57%	\$ 90,000,000	2	3.35%
Education Testing Service	\$ 130,995,800	3	2.33%	\$ 66,687,200	4	2.48%
Lenox Driver Office Park	\$ 102,311,500	5	1.82%			
Mercer Mall	\$ 98,015,004	6	1.74%	\$ 46,979,800	6	1.75%
Avalon Properties	\$ 68,724,800	7	1.22%	\$ 70,257,300	3	2.61%
Mercer Station	\$ 44,448,700	8	0.79%			
Steward's Crossing	\$ 26,971,100	9	0.48%			
Princeton Pike Office Park	\$ 24,853,200	10	0.44%	\$ 15,375,000	8	0.57%
Yorkshire Village, Inc.	\$ 19,882,200	11	0.35%	\$ 15,117,500	10	0.56%
Brandywine Operating Partnership				\$ 56,974,200	5	2.12%
Lawrence Shopping Center				\$ 22,930,600	7	0.85%
River Real Estate				\$ 15,128,400	9	0.56%
Total	\$ 1,073,556,908		19.08%	\$ 589,069,000		21.90%

Source: Municipal Tax Assessor

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	
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%	-
2018	67,830,191	67,830,191	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			
2009	45,895,000	-	-	-	-	45,895,000	32,081	\$ 1,431
2010	43,405,000	-	-	-	-	43,405,000	33,499	\$ 1,296
2011	40,525,000	-	-	-	-	40,525,000	33,400	\$ 1,213
2012	36,706,000	-	-	-	-	36,706,000	33,397	\$ 1,099
2013	33,506,000	-	-	-	-	33,506,000	33,452	\$ 1,002
2014	30,163,000	-	-	-	-	30,163,000	33,419	\$ 903
2015	27,098,000	-	521,600	-	-	27,619,600	33,304	\$ 829
2016	23,795,000	-	349,803	-	-	24,144,803	33,122	\$ 729
2017	20,025,000	-	-	-	-	20,025,000	33,161	\$ 604
2018	17,645,000	-	-	-	-	17,645,000	33,161	\$ 532

Source:

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

District Records

* General Obligation Bond is equal to the amount of principal only

2018 Population was not estimated at the time of this CAFR.

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>
2009	32,081	\$2,684,270,823	\$ 45,895,000	1.71%	\$1,431
2010	33,499	\$2,599,765,740	\$ 43,405,000	1.67%	\$1,296
2011	33,400	\$2,562,800,840	\$ 40,525,000	1.58%	\$1,213
2012	33,397	\$2,524,540,590	\$ 36,706,000	1.45%	\$1,099
2013	33,452	\$2,497,236,690	\$ 33,506,000	1.34%	\$1,002
2014	33,419	\$4,577,937,050	\$ 30,163,000	0.66%	\$903
2015	33,304	\$4,529,216,250	\$ 27,098,000	0.60%	\$814
2016	33,122	\$4,512,692,750	\$ 23,795,000	0.53%	\$718
2017	33,161	\$4,519,636,750	\$ 20,025,000	0.44%	\$604
2018	33,161	\$4,625,473,061	\$ 17,645,000	0.38%	\$532

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, 2018 \$ 17,645,000

Net Overlapping Debt of School District:

Lawrence Township	\$ 17,335,000
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	\$ -

Total Direct and Overlapping Bonded Debt as of June 30, 2018 \$ 104,016,695**Source:**

Mercer County Finance Department
Ewing Lawrence Sewer Authority
Mercer County Improvement Authority
Township Of Lawrence

Notes

School District debt does not include unissued bonds of \$25,105,540 from the January 23, 2018 referendum.
Lawrence Township debt does not include unissued bonds of \$9,157,478.84.

LAWRENCE TOWNSHIP BOARD OF EDUCATION

COMPUTATION OF LEGAL DEBT MARGIN

	<u>Year</u>	<u>Equalized Valuation Basis</u>
	2018	\$5,011,916,815
	2017	\$4,848,134,160
	2016	\$4,992,898,491
Sum of values for three years	[A]	<u>\$9,841,032,651</u>
Average 3 years Equalized Valuation of Taxable Property	[A]/3	\$4,950,983,155
Debt limit (4% of average equalization value)	[B]	\$ 198,039,326
Total Net Debt Applicable to Limit	[C]	\$ 17,645,000
Legal Debt Margin	[B-C]	<u>\$ 180,394,326</u>

NJSA: 18A: 24-19

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	\$ 198,039,326
Total net debt applicable to limit	<u>48,700,000</u>	<u>45,895,000</u>	<u>43,405,000</u>	<u>40,525,000</u>	<u>39,766,000</u>	<u>36,706,000</u>	<u>30,163,000</u>	<u>27,098,000</u>	<u>23,795,000</u>	<u>20,025,000</u>	<u>17,645,000</u>
Legal debt margin	<u>\$ 152,055,188</u>	<u>\$ 171,996,611</u>	<u>\$ 180,626,543</u>	<u>\$ 176,832,597</u>	<u>\$ 171,513,381</u>	<u>\$ 167,217,919</u>	<u>\$ 169,289,374</u>	<u>\$ 167,503,567</u>	<u>\$ 171,214,222</u>	<u>\$ 177,698,545</u>	<u>\$ 180,394,326</u>
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%	8.91%

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>
2008	31,645	1,409,911,330	44,554	3.8%
2009	32,081	1,311,695,847	40,887	6.6%
2010	33,499	1,445,012,864	43,136	6.3%
2011	33,400	1,378,651,800	41,277	6.1%
2012	33,397	1,364,167,259	40,847	6.2%
2013	33,452	1,343,398,868	40,159	5.6%
2014	33,419	1,377,631,437	41,223	4.4%
2015	33,304	1,317,805,976	39,569	3.6%
2016	33,122	1,415,601,158	42,739	3.4%
2017	33,161	NA	NA	3.1%

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

Notes to Self:

Select "Employment & Wages" then "Unemployment rate and Labor Force Estimates" Then choose the "Annual Municipal I
Per Capita Income from U.S. Bureau of Economic Analysis via the NJ Dept Labor and Workforce Development Pag

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>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>	<u>2018</u>
Regular	286	291	281	285	283	282	275	269	273	289
Special Education	66	64	64	105	105	106	113	107	128	127
Other Special Education	-	-	-							
Vocational	-	-	-							
Other Instruction	-	-	-	1	1	1	1	1	1	2
Nonpublic school programs	-	-	-							
Adult/continuing education programs	-	-	-							
Student & instruction related services	60	66	61	121	109	110	110	115	113	110
General administration	4	4	4	3	3	3	3	3	3	3
School administrative services	13	13	12	23	23	23	22	23	23	21
Central Services (Business & Personnel)	45	23	23	12	12	11	11	14	14	10
Admin. Information Technology	9	12	12	3	3	3	3	4	4	4
Plant operations & maintenance	52	52	48	68	71	68	65	82	80	77
Pupil Transportation	5	3	5	7	8	8	11	10	14	20
Other support services	95	110	112 *							
	-	-	-							
	1	1	1		1	2	2	2	2	2
	-	-	-							
	636	639	623	628	619	616	616	630	655	665

Source: District Personnel Records

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

OPERATING STATISTICSLAST TEN FISCAL YEARS

Fiscal Year	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
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%
2018	69,255,518	\$18,054	-2.01%	3,836	3,664	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

Schedule of Required Maintenance Expenditures

Revised J-18 & J-19

SCHOOL:	Sq. Ft.	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	250,281
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	155,541
BEN FRANKLIN	62,829	\$ 20,280	33,869	25,168	37,680	47,618	42,879	70,098	93,433	81,556	214,121	173,663
ELDRIDGE PARK	34,673	\$ 47,677	55,030	25,987	30,863	32,740	42,174	66,340	72,480	168,498	76,218	177,623
LAWRENCE INTERMEDIATE	100,742	\$ 37,009	48,241	33,954	37,126	80,898	115,682	88,510	197,306	143,906	108,663	82,026
LAWRENCEVILLE ELEMENTARY	51,684	\$ 13,678	109,904	54,322	31,341	79,644	112,832	42,287	109,226	100,881	122,753	45,718
SLACKWOOD ELEMENTARY	43,518	\$ 17,466	55,800	33,338	51,240	52,159	88,974	93,132	77,918	119,774	127,414	77,315
	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	962,167

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

Proving to state that expenditures are equal to or above 2% over a 10 year period

Pro rate the undistributed amounts / look in maintenance drive Pro rata calculation= done by square ft per building

For Audit J schedules must equal CSI / and C schedules from the audit/ and M1 and M2

***Must use both 261-420 and 261-600 to proof total

INSURANCE SCHEDULEJUNE 30, 2018

<u>Multi Peril Package Policy</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Company</u>
<u>Property</u>			
Blanket Building & Contents	166,852,818	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>	166,852,818		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

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

146.

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.
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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, 2018, 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 19, 2018.

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 19, 2018

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

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, 2018. 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, 2018.

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 19, 2018

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2017	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustment	Balance at June 30, 2018				
					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	33,656	07/01/2017	06/30/2018	\$ -	-	33,656	(33,656)	-	-	-	-	-		
U.S. Department of Education:																	
Passed Through State Department of Education:																	
Special Revenue Fund:																	
Title I	84.010A	S010A150030	NCLB18	402,048	07/01/2017	06/30/2018			307,397	(344,389)			(36,992)				
Title I	84.010A	S010A160030	NCLB17	447,576	07/01/2016	06/30/2017	(51,528)		51,528								
Title IIA	84.367A	S367A150029	NCLB18	109,447	07/01/2017	06/30/2018			52,757	(60,485)			(7,728)				
Title IIA	84.367A	S367A160029	NCLB17	96,108	07/01/2016	06/30/2017	(11,197)		11,197								
Title III	84.365A	S365A160030	NCLB18	41,826	07/01/2017	06/30/2018			10,236	(11,394)			(1,158)				
Title III	84.365A	S365A160030	NCLB17	50,800	07/01/2016	06/30/2017	(8,219)		8,219								
Title III Immigrant	84.365A	S365A150030	NCLB18	17,644	07/01/2017	06/30/2018			2,982	(3,733)			(751)				
Title III Immigrant	84.365A	S365A160030	NCLB17	28,374	07/01/2016	06/30/2017	(85)		85								
Title IV	84.424	S424A170031	NCLB18	10,000	07/01/2017	06/30/2018											
Special Education Cluster:																	
IDEA Basic	84.027	H027A150100	IDEA18	1,611,710	07/01/2017	06/30/2018			914,270	(1,511,576)			(597,306)				
IDEA Basic	84.027	H027A160100	IDEA17	1,530,643	07/01/2016	06/30/2017	(246,634)		246,634								
IDEA Preschool	84.173	H173A150114	IDEA18	78,283	07/01/2017	06/30/2018			8,077	(17,153)			(9,076)				
IDEA Preschool	84.173	H173A160114	IDEA17	52,488	07/01/2016	06/30/2017	(1,667)		1,667								
Emergency Impact Aid	84.938C			7,500	07/1/2017	06/30/2018			7,500	(7,500)							
Total U.S. Department of Education							(319,330)	-	1,622,549	(1,956,230)	-	-	(653,011)	-	-		
U.S. Department of Agriculture - Passed Through State Department of Education:																	
Child Nutrition Cluster:																	
National School Lunch Program	10.555	16161NJ304N1099	N/A	416,112	07/01/2017	06/30/2018			329,166	(416,112)			(86,946)				
National School Lunch Program	10.555	171NJ304N1099	N/A	417,457	07/01/2016	06/30/2017	(27,276)		27,276								
HHFKA	10.555	171NJ304N1099	N/A	17,660	07/01/2016	06/30/2017	(1,226)		1,226								
HHFKA	10.555	16161NJ304N1099	N/A	17,686	07/01/2017	06/30/2018			13,979	(17,686)			(3,707)				
School Breakfast Program	10.553	16161NJ304N1099	N/A	39,780	07/01/2017	06/30/2018			31,304	(39,780)			(8,476)				
School Breakfast Program	10.553	171NJ304N1099	N/A	41,376	07/01/2016	06/30/2017	(5,264)		5,264								
Food Distribution Program	10.550	171NJ304N1099	N/A	78,186	07/01/2017	06/30/2018			78,186	(78,186)							
Total U.S. Dept. of Agriculture							(33,766)	-	486,401	(551,764)	-	-	(99,129)	-	-		
Total Federal Financial Assistance							\$ (353,096)	-	2,142,606	(2,541,650)	-	-	(752,140)	-	-		

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Schedule B
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Sheet 1 of 2

Table with columns: Grantor/Program, Grant or State Project Number, Program or Award Amount, Grant Period (From, To), Balance June 30, 2017 (Deferred Revenue, Due To Grantor, Carryover), Cash Received, Budgetary Expenditures, Adjustments, Repayment of Prior Years Balances, (Accounts Receivable) June 30, 2018, Deferred Revenue June 30, 2018, Due to Grantor at June 30, 2018, MEMO (Budgetary Receivable, Total Cumulative Expenditures)

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2017		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2018	Deferred Revenue	Due to Grantor at June 30, 2018	MEMO	
			From	To	Deferred Revenue (Accts. Receivable)	Due To Grantor								Budgetary Receivable	Total Cumulative Expenditures
Less: State Financial Assistance Not Subject to Calculation for Major Program Determination for State Single Audit:															
General Fund (Non-Cash Assistance):															
New Jersey Department of Education:															
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (Non-Budgeted)	18-495-034-5094-001	2,667,048	07/01/2017	06/30/2018					2,667,048						
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (Non-Budgeted)	18-495-034-5094-002	4,031,498	07/01/2017	06/30/2018					4,031,498						
On-Behalf T.P.A.F. Non-Contributory Insurance	18-495-034-5094-004	97,834	07/01/2017	06/30/2018					97,834						
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (Non-Budgeted)	18-495-034-5094-004	7,777	07/01/2017	06/30/2018					<u>7,777</u>						
Total General Fund (Non-Cash Assistance)									6,804,157						
Total State Financial Assistance									<u>\$ (7,510,013)</u>						

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

BOARD OF EDUCATION

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LAWRENCE TOWNSHIP SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2018****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	\$ 13,135,903	895,473		267,480	15,314	14,314,170
Difference – Budget to "GAAP"						
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized						
		96,209				96,209
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)						
	(34,324)	38,640				4,316
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances						
	<u>\$ 13,101,579</u>	<u>1,030,322</u>		<u>267,480</u>	<u>15,314</u>	<u>14,414,695</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	\$ 33,656	1,956,230		551,764	2,541,650
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	_____	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures and Changes in Fund Balances	<u>\$ 33,656</u>	<u>1,956,230</u>	<u>_____</u>	<u>551,764</u>	<u>2,541,650</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, 2018. 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, 2018. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

NOTE 6: Adjustments

The adjustments on the Schedule of State Financial Aid are due to State SDA Loans that were cancelled due to completion of the projects.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Part 1 - Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

(D) Dollar threshold used to determine Typed A programs:	<u>\$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, 2018

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:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>18-495-034-5120-014</u>	<u>Transportation Aid (State Aid Public Cluster)</u>
<u>18-495-034-5120-084</u>	<u>Security Aid (State Aid Public Cluster)</u>
<u>18-495-034-5120-089</u>	<u>Special Education Aid (State Aid Public Cluster)</u>
<u>18-495-034-5120-098</u>	<u>PARCC Readiness Aid (State Aid Public Cluster)</u>
<u>18-495-034-5120-097</u>	<u>Per Pupil Growth Aid (State Aid Public Cluster)</u>
<u>18-495-034-5120-101</u>	<u>Professional Learning Community Aid (Public Cluster)</u>
<u>18-495-034-5095-002</u>	<u>Reimbursed Social Security</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

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

FEDERAL AWARDS

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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