

**SCHOOL DISTRICT  
OF  
LAWRENCE TOWNSHIP**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Township of Lawrence Board of Education**

**Cumberland, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**Lawrence Township Board of Education**

**Cumberland, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**Prepared by**

**Lawrence Township Board of Education**

**Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE LAWRENCE TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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## **INTRODUCTORY SECTION**



# *Lawrence Township School District*

225 MAIN STREET  
CEDARVILLE, NJ 08311

Phone (856) 447-4409

FAX (856) 447-3446

**Dr. Shelley Marie Magan x 5000**

Chief School Administrator

**Lisa M. DiNovi x 5690**

Board Secretary/Business Administrator

December 22, 2020

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

Dear Board Members:

The comprehensive annual financial report of the Lawrence Township School District for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the 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.

**1. REPORTING ENTITY AND ITS SERVICES:**

Lawrence Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. 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 a basis of governmental, business-type and fiduciary funds, which are all included in this report. The Lawrence Township Board of Education and its one school constitute the District's reporting entity.

Lawrence Township School District provides a full range of educational services appropriate for grade levels Pre-K through Eighth grade. These include regular education, as well as special education for handicapped students. Our students in grades 9-12 are sent to Cumberland Regional High. The Lawrence Township School District completed the 2019-2020 fiscal year with an enrollment of 506 students, which was an increase of 41 students over the prior year. The following shows changes in the student enrollment of the District over the last five years.

**Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-20	506	.10%
2018-19	460	(1.08%)
2017-18	465	(1.48%)
2016-17	472	(2.88%)
2015-16	486	(2.61%)

**2. ECONOMIC CONDITION AND OUTLOOK:**

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

**3. MAJOR INITIATIVES:**

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

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

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

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

#### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting 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 a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District is also 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 being made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### **5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and, the special revenue fund, 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 re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

## **6. ACCOUNTING SYSTEM AND 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. These funds are explained in "Notes to the Financial Statements," Note 1.

## **7. FINANCIAL INFORMATION AT FISCAL YEAR END:**

As demonstrated by the various statements and schedules included in the financial statements section of the report, the District continues to meet its responsibility for sound financial management.

## **8. DEBT ADMINISTRATION:**

As of June 30, 2020, the District has total Long-term Debt of \$3,215,832, made up of \$1,316,000 in Serial Bonds, Net Pension Liability of \$1,717,961 and \$181,871 in uncompensated absences. The amount available to authorize debt is \$5,466,068, as shown on Exhibit J-13.

## **9. CASH MANAGEMENT:**

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

## **10. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

## **11. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, PA. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

**12. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

*Dr. Shelleymarie Magan*

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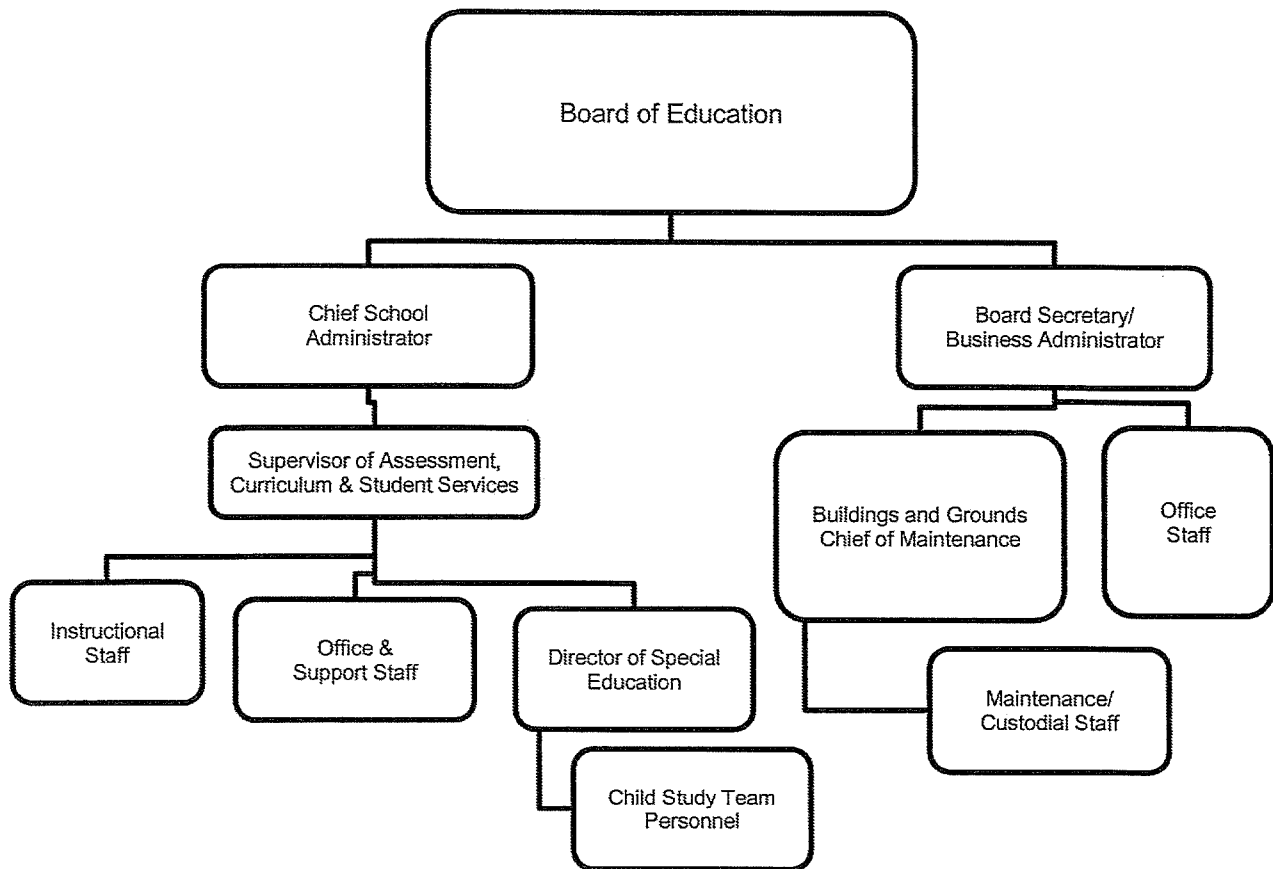
Dr. Shelleymarie Magan  
Chief School Administrator

*Lisa M. DiNovi*

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Lisa M. DiNovi  
Board Secretary / Business Administrator

# Lawrence Township Board of Education Organizational Chart 2019-2020



**LAWRENCE TOWNSHIP BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2020**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
William Reyes, President	2021
Edward J. Cox Jr., Vice President	2020
Kristen Figueroa	2021
Linda Miletta	2022
Misty Sheppard	2020

OTHER OFFICIALS Bond Coverage

Dr. Shelley Marie Magan - Chief School Administrator

Lisa M. DiNovi - Board Secretary/Business Administrator

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA**  
**Nightlinger, Colavita and Volpa, P. A.**  
Certified Public Accountants  
991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Weiner Law Group, LLC.**  
629 Parsippany Road  
Parsippany, NJ 07054

**Barbour & Associates**  
PO Box 345  
Maple Shade, NJ 08052

**OFFICIAL DEPOSITORY**

**Ocean First Bank**

**SCHOOL PHYSICIAN**

Christopher T. Ballas MD  
Bridgeton, NJ 08302

**INSURANCE AGENT**

**Conner Strong & Buckelew**



**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

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[www.colavita.net](http://www.colavita.net)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Lawrence Township School District  
County of Cumberland, New Jersey 08311

### **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 Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Lawrence Township School 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 financial statement presentation.

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, business-type activities, each major fund, and the aggregate remaining fund information of the Lawrence Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lawrence Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations 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, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2020 on our consideration of the Lawrence Township Board of Education's 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 the effectiveness of the Lawrence Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Lawrence Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
December 22, 2020

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

# Lawrence Township School District Management Discussion and Analysis

(Unaudited)

This section of the Lawrence Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2020. Comparative information between the current year (2019-20) and the prior year (2018-19) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

## Using the Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

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

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

Key financial highlights for 2020 are as follows:

- The assets of the Lawrence School District exceeded its liabilities at the close of the most recent fiscal year on June 30, 2020 by \$5,620,745.
- Total net position of governmental activities increased by \$211,012, excluding fixed asset and pension adjustments and a transfer to a charter school, comprised of changes in various assets and liabilities, including fixed asset and pension adjustments. The net position of Business-type Activities increased by \$54,164, excluding an adjustment for pension costs of \$54,068.
- As of the close of the current fiscal year, the Township of Lawrence School District's Governmental Funds reflected combined ending fund balances of \$1,995,266, which is an increase of \$325,417 from the prior year.

- General revenues accounted for \$9,632,577, excluding the effects of fixed asset and pension adjustments, along with the transfer to a charter school totaling \$1,148,543, which was 73.4% percent of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$3,482,681 or 26.6% percent to total revenues of \$13,115,258.
- The School District had \$12,849,239 in expenses, of which \$3,482,681 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) were adequate to provide for these programs, which include the Business-type Activities.
- The General Governmental Fund had \$9,961,356 in revenues, \$9,614,073 in expenditures and \$2,116 in other net financing uses transferred to the Food Service Enterprise Fund. The General Fund balance increased by \$345,167 over 2019. This increase was anticipated by the Board of Education, although fund balance of \$371,311 was used to balance the budget, as shown on Exhibit C-1.

### **District-wide Financial Statements – Reporting the School District as a Whole**

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

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

This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, which represent the district-wide financial statements, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and After School Child Care enterprise funds are reported as a business-type activity.

## Reporting the School District's Most Significant Funds

### Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental fund statements explains the relationship (or differences) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Internal service funds:* (Also considered proprietary funds) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently does not have any internal service funds.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements, as these assets may not be used to finance the District's operations.



**The School District as a Whole**

Table 1 provides a comparative summary of the School District's net position for the years ended in 2020 and 2019.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and Other Assets	\$ 2,888,286	\$ 2,358,028	\$ 232,450	\$ 276,452	\$ 3,120,736	\$ 2,634,480
Capital Assets, Net	6,182,800	7,748,505	8,890	11,406	6,191,690	7,759,911
<b>Total Assets</b>	<b>9,071,086</b>	<b>10,106,533</b>	<b>241,340</b>	<b>287,858</b>	<b>9,312,426</b>	<b>10,394,391</b>
<b>Deferred Outflow of Resources</b>	<b>617,038</b>	<b>971,252</b>		<b>30,127</b>	<b>617,038</b>	<b>1,001,379</b>
<b>Liabilities</b>						
Current Liabilities	300,586	220,868	32,924	137,279	333,510	358,147
Non-Current Liabilities	3,215,832	3,751,357		59,620	3,215,832	3,810,977
<b>Total Liabilities</b>	<b>3,516,418</b>	<b>3,972,225</b>	<b>32,924</b>	<b>196,899</b>	<b>3,549,342</b>	<b>4,169,124</b>
<b>Deferred Inflow of Resources</b>	<b>759,377</b>	<b>701,632</b>		<b>21,745</b>	<b>759,377</b>	<b>723,377</b>
<b>Net Position</b>						
Invested in Capital Assets, Net of Debt	4,866,225	6,107,505	8,890	11,408	4,875,115	6,118,913
Restricted	2,400,517	2,049,426			2,400,517	2,049,426
Unrestricted (Deficit)	(1,854,413)	(1,753,003)	199,526	87,933	(1,654,887)	(1,665,070)
<b>Total Net Position</b>	<b>\$ 5,412,329</b>	<b>\$ 6,403,928</b>	<b>\$ 208,416</b>	<b>\$ 99,341</b>	<b>\$ 5,620,745</b>	<b>\$ 6,503,269</b>

Table 2 shows the changes in net position from fiscal year's 2020 and 2019.

Table 2  
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Programs Revenues						
Charges for Services	\$ 528,413	\$ 184,000	\$ 112,249	\$ 146,310	\$ 640,662	\$ 330,310
Operating Grants	2,604,883	2,307,835	237,136	193,961	2,842,019	2,501,796
General Revenues						
Property Taxes	2,604,267	2,568,604			2,604,267	2,568,604
Grants and Entitlements	6,909,359	7,342,221			6,909,359	7,342,221
Other	118,855	72,345	96	278	118,951	72,623
<b>Total Revenues</b>	<b>12,765,777</b>	<b>12,475,005</b>	<b>349,481</b>	<b>340,549</b>	<b>13,115,258</b>	<b>12,815,554</b>
<b>Program Expenses</b>						
Instruction	4,122,038	3,974,301			4,122,038	3,974,301
Tuition	1,552,565	1,424,796			1,552,565	1,424,796
Pupil and Instructional Staff	853,433	936,545			853,433	936,545
General Administration, School						
Administration, Business	576,344	568,533			576,344	568,533
Operations and Maintenance of Facilities	501,955	548,125			501,955	548,125
Pupil Transportation	769,872	894,508			769,872	894,508
Employee Benefits	3,592,548	3,785,490			3,592,548	3,785,490
Interest on Debt	87,808	107,070			87,808	107,070
Internal Services	498,202	153,879			498,202	153,879
Food Service & After School Care			294,474	327,615	294,474	327,615
<b>Total Expenses</b>	<b>12,554,765</b>	<b>12,393,247</b>	<b>294,474</b>	<b>327,615</b>	<b>12,849,239</b>	<b>12,720,862</b>
Excess of Revenue over Expenditures	211,012	81,758	55,007	12,934	266,019	94,692
Less: Fixed Asset Adjustment	(1,325,381)				(1,325,381)	
Transfer to Charter school	(2,116)	(25,036)			(2,116)	(25,036)
Pension Adjustment	124,886		54,068		178,954	
<b>Increase in Net Position</b>	<b>\$ (991,599)</b>	<b>\$ 56,722</b>	<b>\$ 109,075</b>	<b>\$ 12,934</b>	<b>\$ (882,524)</b>	<b>\$ 69,656</b>

### Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's Property taxes made up 20.4% percent of the net revenues for governmental activities of \$12,765,777. Federal, state and local grants accounted for another 78.7% and other net revenues were .9%. The total cost of services, as shown below, was \$12,554,765. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$9,421,469. Instruction comprises 34.9% of these net District expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>
Instruction	\$ 4,122,038	\$ 3,286,846	\$ 3,974,301	\$ 3,974,301
Tuition	1,552,565	1,552,565	1,424,796	1,424,796
Pupil and Instructional Staff	853,433	771,472	936,545	936,545
General Administration, School				0
Administration, Business	576,344	576,344	568,533	568,533
Operation and Maintenance of Facilities	501,955	501,955	548,125	548,125
Pupil Transportation	769,872	769,872	894,508	894,508
Employee Benefits	3,592,548	1,904,818	3,785,490	1,477,655
Interest on Debt	87,808	87,808	107,070	107,070
Internal Service Fund	498,202	(30,211)	153,879	(30,121)
Total Expenses	<u>\$ 12,554,765</u>	<u>\$ 9,421,469</u>	<u>\$ 12,393,247</u>	<u>\$ 9,901,412</u>

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. Curriculum and staff development expenses (included in support services) are related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Co-curricular activities include instructional expenses related to student activities provided by the School district, which are designated 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.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

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

Unallocated Depreciation reflects the cost of fixed assets spread over the estimated useful lives of the individual assets

### **Business-Type Activities**

Revenues for the District's business-type activities (Food Service and After School Child Care Programs) were comprised of charges for services and federal and state reimbursements.

- Revenues exceeded Expenditures by \$74,258 in the Food Service Fund and Expenditures exceeded Revenues by \$19,347 in the After School Childcare Program. There was also \$96 in interest earnings during the year.
- Charges for services represent \$94,507 in the Food Service Fund and \$17,742 in the After School Childcare Program. This represents amount paid by patrons for daily food service activities and after school childcare.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$237,136.

## The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (i.e., General Fund, Special Revenue Fund and Capital Project Fund presented in the fund-based statements) had total revenues of \$11,503,915, expenditures of \$11,176,382 and other net financing uses of \$2,116, which was for a transfer to a charter school. The net change in fund balance for the year was \$325,417. This demonstrates that the District was able to meet current operating costs with no urgent need for additional funds other than \$371,311 in surplus appropriated to balance the 2019-20 budget.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the Governmental Funds (excluding Capital Projects) for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 2,723,122	23.67%	\$ 84,758	3.21%
State Sources	8,177,769	71.09%	137,573	1.71%
Federal Sources	603,024	5.24%	130,684	27.67%
<b>Total</b>	<b>\$ 11,503,915</b>	<b>100.00%</b>	<b>\$ 353,015</b>	<b>3.17%</b>

The increase in Local sources is attributed to increases in the tax levy of \$35,663, tuition of \$51,921 and transportation of \$2,856, offset by decreases in and miscellaneous revenues of \$5,682.

The increase in State sources is attributed to increases in State Public School aid of \$52,487, Special Revenue Fund Grants of \$88,667, offset by debt service of \$3,581.

The above schedule includes the two last state aid payments for 2018-19 of \$599,335 received in July 2019 and does not include the two last state aid payments for 2019-2020 received in July 2019 in the amount of \$607,003.

The increase in Federal sources is due to various increases in the Special Revenue Fund Grants. In addition, the 2020 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of General Fund and Special Revenue Fund Expenditures for the fiscal year ended June 30, 2020 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 3,911,296	35.00%	\$ 99,824	2.62%
Undistributed expenditures	6,822,022	61.04%	3,839	0.06%
Capital Outlay	66,285	0.59%	(30,199)	-31.30%
Debt Service	376,779	3.37%	(13,584)	-3.48%
<b>Total</b>	<b>\$ 11,176,382</b>	<b>100.00%</b>	<b>\$ 59,880</b>	<b>0.005</b>

The increase in Instructional Expenditures is attributed to increases in Regular Instruction of \$574,122 and \$1,405 in Other Instructional Expenses, offset by a decrease of \$475,703 in Special Education Instruction Expenses.

The increase in Undistributed Expenditures was due to increases in Tuition of \$127,769, Administration/Central Services costs of \$31,883 and Employee Benefits of \$89,772, offset by decreases in Student Related costs of \$83,112, Plant and Maintenance costs of \$37,837 and Transportation costs of \$124,636.

The decrease in Capital Outlay is attributed to less equipment and facility acquisition costs.

### **General Fund Budgeting Highlights**

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2020, the School District amended its General Fund budget as needed. The School District uses program-based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- Staffing changes based on student needs
- Additional costs for student transportation both in regular education and special education
- Changes in maintenance and operations
- Changes in appropriations to prevent budget overruns

While the District's final budget for the general fund anticipated that revenues, including \$371,311 of surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase of \$352,835 as shown on Exhibit C-1.

- Actual revenues were \$102,428 more than expected, excluding on-behalf pension and social security reimbursements of \$1,192,064, due to the increased adjustment aid.
- Actual expenditures were \$651,814 less than expected. This excludes state on-behalf pension and social security reimbursements of \$1,192,064 and reflects favorable variances in most expenditure accounts.

**Capital Assets**

At the end of the fiscal year 2020, the School District had \$6,191,690 (net of accumulated depreciation) invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2020 balances compared to 2019.

	Governmental Activities		Business-type Activities		Total School District	
	2020	2019	2020	2019	2020	2019
Land	\$ 25,071	\$ 25,071			\$ 25,071	\$ 25,071
Site Improvements	29,802	23,230			29,802	23,230
Building and Improvements	6,073,593	7,587,979			6,073,593	7,587,979
Equipment	53,759	112,225	\$ 8,890	\$ 13,924	62,649	126,149
<b>Totals</b>	<b>\$ 6,182,225</b>	<b>\$ 7,748,505</b>	<b>\$ 8,890</b>	<b>\$ 13,924</b>	<b>\$ 6,191,115</b>	<b>\$ 7,762,429</b>

Overall net Capital Assets decreased by \$1,571,314 from fiscal year 2019 to fiscal year 2020, representing a fixed asset addition of \$26,265, offset by depreciation expense of \$272,198 and a fixed asset adjustment of \$1,325,381.

**Long-Term Debt:**

At year-end, the District had outstanding long-term debt of \$3,215,832, comprised of compensated absences of \$181,871, Serial Bonds of \$1,316,000 and Net Pension Liability of \$1,717,961. There was no other outstanding debt authorized or issued (Note 6 to the Financial Statements). The amount of debt available for authorization by statute is \$5,466,068, as shown on Exhibit J-13.

**Factors Bearing on the District’s Future**

While becoming a choice school district has helped the district maintain current programs, the restriction on the amount the district may raise in taxes, by statute, is always a concern for future budgets, as well as for any unforeseen expenditures

**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, contact Lisa M. DiNovi, School Business Administrator/Board Secretary, at Lawrence Township School District, 225 Main Street, Cedarville, NJ 08311.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District.



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,098,155	\$ 140,528	\$ 1,238,683
Receivables, Net	679,303	54,474	733,777
Interfunds Receivable	26,428	33,359	59,787
Inventory		4,089	4,089
Restricted Assets:			
Cash	1,084,975		1,084,975
Capital Assets, Net (Note 6)	6,182,225	8,890	6,191,115
<b>Total Assets</b>	<b>9,071,086</b>	<b>241,340</b>	<b>9,312,426</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Pension Outflows	617,038		617,038
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	97,750	17,933	115,683
Interfund Payable	60,000		60,000
Unearned Revenue	126,305	14,991	141,296
Accrued Interest	16,531		16,531
Noncurrent Liabilities:			
Due Within One Year	346,000		346,000
Due Beyond One Year	2,869,832		2,869,832
<b>Total Liabilities</b>	<b>3,516,418</b>	<b>32,924</b>	<b>3,549,342</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Pension Inflows	759,377		759,377
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	4,866,225	8,890	4,875,115
Restricted for:			
Capital Projects	746,467		746,467
Excess Surplus	764,888		764,888
Other Purposes	889,162		889,162
Unrestricted (Deficit)	(1,854,413)	199,526	(1,654,887)
<b>Total Net Position</b>	<b>\$ 5,412,329</b>	<b>\$ 208,416</b>	<b>\$ 5,620,745</b>

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,372,100		\$ 835,192	\$ (2,536,908)		\$ (2,536,908)
Special Education	676,394			(676,394)		(676,394)
Other Instruction	73,544			(73,544)		(73,544)
Support Services:						
Tuition	1,552,565			(1,552,565)		(1,552,565)
Student & Instruction Related Services	853,433		81,961	(771,472)		(771,472)
General and Business Administrative Services	160,563			(160,563)		(160,563)
School Administrative Services	198,874			(198,874)		(198,874)
Central Services	197,621			(197,621)		(197,621)
Administrative Information Technology	19,286			(19,286)		(19,286)
Plant Operations and Maintenance	501,955			(501,955)		(501,955)
Pupil Transportation	769,872			(769,872)		(769,872)
Unallocated Benefits	3,592,548		1,687,730	(1,904,818)		(1,904,818)
Interest on Debt	87,808			(87,808)		(87,808)
Internal Service	498,202	528,413		30,211		30,211
<b>Total Governmental Activities</b>	<b>12,554,765</b>	<b>528,413</b>	<b>2,604,883</b>	<b>(9,421,469)</b>		<b>(9,421,469)</b>
Business-type Activities:						
Food Service	257,385	94,507	237,136		74,258	74,258
After School Childcare	37,089	17,742			(19,347)	(19,347)
<b>Total Business-type Activities</b>	<b>294,474</b>	<b>112,249</b>	<b>237,136</b>		<b>54,911</b>	<b>54,911</b>
<b>Total Primary Government</b>	<b>\$ 12,849,239</b>	<b>\$ 640,662</b>	<b>\$ 2,842,019</b>	<b>(9,421,469)</b>	<b>54,911</b>	<b>(9,366,558)</b>
General revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,604,267		2,604,267
Federal and State Aid not restricted				6,909,359		6,909,359
Tuition Fees				51,921		51,921
Transportation Fees from Other LEAs				2,856		2,856
Miscellaneous Income				64,078		64,078
Transfer To Charter School				(2,116)		(2,116)
Prior year Pension Adjustment				124,886	54,068	178,954
Fixed Asset Adjustment				(1,325,381)		(1,325,381)
Interest Earned					96	96
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>				<b>8,429,870</b>	<b>54,164</b>	<b>8,484,034</b>
				Change in Net Position	109,075	(882,524)
				Net Position - Beginning	99,341	6,503,269
				Net Position - Ending	<b>\$ 208,416</b>	<b>\$ 5,620,745</b>

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

**GOVERNMENTAL FUNDS**

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 534,277		\$ 1	\$ 534,278
Cash - Capital Reserve	746,467			746,467
Cash - Maintenance Reserve	338,508			338,508
Accounts Receivables:				
Local School District Tax	194,079			194,079
Intergovernmental	87,416			87,416
Federal		336,419		336,419
State	22,536			22,536
Interfund Receivable	258,751			258,751
<b>Total Assets</b>	<b>\$ 2,182,034</b>	<b>\$ 336,419</b>	<b>\$ 1</b>	<b>\$ 2,518,454</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 24,176	\$ 73,574	\$	\$ 97,750
Interfund Payable	93,359	205,774		299,133
Unearned Revenue		126,305		126,305
<b>Total Liabilities</b>	<b>117,535</b>	<b>405,653</b>		<b>523,188</b>
Fund Balances:				
Restricted For:				
Capital Reserve	1,467			1,467
Maintenance Reserve	338,508			338,508
Emergency Reserve	250,000			250,000
Tuition Reserve	125,000			125,000
Excess Surplus - Designated for Subsequent Year's Expenditures	232,534			232,534
Excess Surplus	532,354			532,354
Assigned Fund Balance:				
Designated for Subsequent Year's Expenditures	19,243			19,243
Encumbrances	81,411			81,411
Capital Reserve	745,000			745,000
Tuition Reserve	75,000			75,000
Unassigned, Reported In:				
General Fund	(336,018)			(336,018)
Special Revenue Fund		(69,234)		(69,234)
Debt Service			1	1
<b>Total Fund Balances (Deficit)</b>	<b>2,064,499</b>	<b>(69,234)</b>	<b>1</b>	<b>1,995,266</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,182,034</b>	<b>\$ 336,419</b>	<b>\$ 1</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,444,765 and the accumulated depreciation is \$4,263,115 (Note 7).	6,181,650
Deferred Outflows of Resources - Deferred Pension Contributions	617,038
Deferred Inflows of Resources - Pension Actuarial gains	(759,377)
Internal Service Fund Net Position	610,115
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(16,531)
Long-term Liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,717,961)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(1,497,871)
<b>Net Position of Governmental Activities</b>	<b>\$ 5,412,329</b>

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

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 2,329,039		\$ 275,228	\$ 2,604,267
Tuition Fees	51,921			51,921
Transportation Fees from Other LEAs	2,856			2,856
Unrestricted Miscellaneous Revenues	53,737	3,831		57,568
Interest Earned	6,510			6,510
Total Local Sources	2,444,063	3,831	275,228	2,723,122
State Sources	7,509,823	566,396	101,550	8,177,769
Federal Sources	7,470	595,554		603,024
Total Revenues	9,961,356	1,165,781	376,778	11,503,915
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	2,341,958	835,192		3,177,150
Special Education Instruction	660,602			660,602
Other Instruction	73,544			73,544
Support Services:				
Tuition	1,552,565			1,552,565
Student & Instruction Related Services	771,472	81,961		853,433
General Administration	160,563			160,563
School Administrative Services	178,344			178,344
Central Services	177,091			177,091
Administrative Information Technology	19,286			19,286
Plant Operations and Maintenance	487,743			487,743
Pupil Transportation	769,872			769,872
Employee Benefits	2,354,748	268,377		2,623,125
Capital Outlay	66,285			66,285
Debt Service				
Principal			325,000	325,000
Interest			51,779	51,779
Total Expenditures	9,614,073	1,185,530	376,779	11,176,382
Excess (Deficiency) of Revenues Over Expenditures	347,283	(19,749)	(1)	327,533
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Food Service Fund	(2,116)			(2,116)
Total Other Financing Sources and Uses	(2,116)		(1)	(2,116)
Net Change in Fund Balances	345,167	(19,749)		325,417
Fund Balance—July 1	1,719,332	(49,485)	2	1,669,849
Fund Balance—June 30 (Deficit)	\$ 2,064,499	\$ (69,234)	\$ 1	\$ 1,995,266

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

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ 325,417

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(266,014)	
Fixed Asset Adjustment		(1,325,381)	
Capital outlays		26,265	
		(1,565,130)	(1,565,130)

Decrease in Accrued Interest 3,991

Pension contributions are reported in governmental funds as expenditures. However, In the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including Service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

The issuance of long-term debt through bonds or leases provides current financial resources to the governmental funds, while the repayment of principal on long-term debt represents a use of resources in governmental funds. The payment of long-term debt principal is not a use of funds in the statement of activities. 325,000

Pension Expense recognized for GAAP but not for budgetary purposes. (258,905)

Pension Adjustment recognized for GAAP but not for budgetary purposes. 124,886

Increase in Internal Service Fund 30,211

In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year, such as compensated absences. In the governmental funds, however, expenditures are reported when the corresponding financial resources are used or paid. 22,931

**Change in Net Position of Governmental Activities (A-2)** **\$ (991,599)**

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

**PROPRIETARY FUNDS**

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Fund Food Service</b>	<b>Governmental Activities Internal Service Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 167,077	\$ 570,687	\$ 737,764
Accounts Receivable:			
State	896		896
Federal	24,904		24,904
Interfund Receivable	33,359		33,359
Other Program Fees	28,674	38,853	67,527
Inventory	4,089		4,089
Total Current Assets	258,999	609,540	868,539
Noncurrent Assets:			
Furniture, Machinery & Equipment	112,879	10,117	122,996
Less Accumulated Depreciation	(103,989)	(9,542)	(113,531)
Total Noncurrent Assets	8,890	575	9,465
Total Assets	\$ 267,889	\$ 610,115	\$ 878,004
<b>LIABILITIES AND FUND EQUITY:</b>			
Current Liabilities:			
Accounts Payable	\$ 17,933	\$	\$ 17,933
Interfund Payable	26,549		26,549
Prepaid Latchkey	1,340		1,340
Unearned Revenue	13,651		13,651
Total Current Liabilities	59,473		59,473
Net Position			
Invested in Capital Assets, Net of Related Debt	8,890	575	9,465
Unrestricted	199,526	609,540	809,066
Total Net Position	208,416	610,115	818,531
Total Liabilities & Net Position	\$ 267,889	\$ 610,115	\$ 878,004

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



**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>	<b>Total</b>
Operating Revenues:			
Charges for Services:			
Food Sales Reimbursable Programs	\$ 28,007	\$	\$ 28,007
Food Sales Non-Reimbursable Programs	66,500		66,500
Changes for services	17,742	528,413	546,155
Total Operating Revenue:	<u>112,249</u>	<u>528,413</u>	<u>640,662</u>
Operating Expenses:			
Salaries	78,140	444,857	522,997
Employee Beneditis		6,201	6,201
Supplies and Materials	12,210		12,210
Cost of Sales - Reimbursable	100,057		100,057
Cost of Sales - Non Reimbursable	21,745		21,745
Repairs and Maintenance	1,489		1,489
Management Fees	35,000		35,000
General Supplies		11,892	11,892
Miscellaneous	43,315	34,102	77,417
Depreciation	2,518	1,150	3,668
Total Operating Expenses	<u>294,474</u>	<u>498,202</u>	<u>792,676</u>
Operating Income (Loss)	<u>(182,225)</u>	<u>30,211</u>	<u>(152,014)</u>
Non-operating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	3,378		3,378
Federal Sources:			
National School Lunch Program	145,350		145,350
School Breakfast Program	74,680		74,680
Food Distribution Program	13,728		13,728
Interest	96		96
Total Non-operating Revenues (Expenses)	<u>237,232</u>		<u>237,232</u>
Income (Loss) before Contributions & Transfers	<u>55,007</u>	<u>30,211</u>	<u>85,218</u>
Change in Net Position	55,007	30,211	85,218
Total Net Position - July 1	99,341	455,018	554,359
Prior Year Pension Adjustment	54,068	124,886	178,954
Total Net Position - June 30	<u>\$ 208,416</u>	<u>\$ 610,115</u>	<u>\$ 818,531</u>

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

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Funds</b>	<b>Governmental Activities Internal Service Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 112,249	\$ 528,413	\$ 640,662
Payments to Employees	(78,140)	(451,058)	(529,198)
Payments to Suppliers	(154,409)	(84,847)	(239,256)
Payment to Others	(46,228)		(46,228)
	(166,528)	(7,492)	(174,020)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	3,378		3,378
Federal Sources	233,758		233,758
Interfund Transfer			-
	237,136		237,136
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Net Cash Used by Capital Financing			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends	96		96
	96		96
Net Cash Provided by (used for) Investing Activities	96		96
Net Increase (Decrease) in Cash and Cash Equivalents	70,704	(7,492)	63,212
Balances—Beginning of Year	96,373	578,179	674,552
Balances—End of Year	\$ 167,077	\$ 570,687	\$ 737,764
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided</b>			
<b>(Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (182,225)	\$ 30,211	\$ (152,014)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>			
Depreciation and Net Amortization	2,518	1,150	3,668
(Increase)Decrease in Accounts Receivable, Net	(31,116)	(38,853)	(69,969)
(Increase)Decrease in Interfund Receivable, Net	116,156		116,156
(Increase)Decrease in Inventories	3,115		3,115
Increase(Decrease) in Accounts Payable	(77,717)		(77,717)
Increase(Decrease) in Interfund Payable	(2,913)		(2,913)
Increase(Decrease) in Unearned Revenue	5,654		5,654
	15,697	(37,703)	(22,006)
Net Cash Provided by (used for) Operating Activities	\$ (166,528)	\$ (7,492)	\$ (174,020)

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

**FIDUCIARY FUNDS**

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	Trust Funds			Agency Funds	
	Unemployment Compensation Trust	Flex Spending Account	Private Purpose Scholarship Fund	Student Activity	Payroll
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 77,192	\$ 7,490	\$ 15,525	\$ 21,147	\$ 43,588
Due from Agency	15,265				
Due from General	60,000				
Total Assets	\$ 152,457	\$ 7,490	\$ 15,525	\$ 21,147	\$ 43,588
<b>LIABILITIES</b>					
Payable to Student Groups				21,147	
Accounts Payable	4,006				
Payroll Deductions and Withholdings					1,895
Due to General Fund					26,428
Due to Unemployment					15,265
Total Liabilities	\$ 4,006	\$	\$	\$ 21,147	\$ 43,588
<b>NET POSITION</b>					
Held in Trust for Unemployment Claims and Other Purposes	\$ 148,451	\$ 7,490	\$ 15,525		

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

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Unemployment Compensation Trust</u>	<u>Flex-Savings Account</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS:			
Contributions:			
Plan Member	\$ 5,601	\$ 9,727	\$ 7,455
Other			
Board Contribution	7,106		
Investments and Earnings:			
Interest	179	6	28
Total Additions	<u>12,886</u>	<u>9,733</u>	<u>7,483</u>
DEDUCTIONS:			
Scholarships Awarded			1,500
Medical Reimbursement		8,224	
Unemployment Claims	23,659		
Other	179		395
Total Deductions	<u>23,838</u>	<u>8,224</u>	<u>1,895</u>
Change in Net Position	(10,952)	1,509	5,588
Net Position - July 1	<u>159,403</u>	<u>5,981</u>	<u>9,937</u>
Net Position - June 30	<u>\$ 148,451</u>	<u>\$ 7,490</u>	<u>\$ 15,525</u>

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

The Lawrence Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of five (5) members elected to three (3) year terms. The purpose of the district is to educate students in grades K-8. The Lawrence Township School District had an enrollment at June 30, 2020 of 506 students.

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

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

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

**B. Basic Financial Statements – Governmental Wide Financial Statements**

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

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

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

Program revenue include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenue, are presented as general revenues of the school district.

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

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

**C. Basic Financial Statements – Fund Financial Statements**

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

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

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

2. Proprietary Funds:

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

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

3. Fiduciary Funds:

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

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

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

**D. Basis of Accounting**

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

1. Accrual:

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

2. Modified Accrual:

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



LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

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

**E. Financial Statement Amounts**

1. Cash and Cash Equivalents:

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public funds in public depositories protected from loss under the provisions of the Government Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

2. Investments:

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

3. Inventories:

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

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

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

**E. Financial Statement Amounts** – (Continued)

4. Capital Assets:

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

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

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

5. Revenues:

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

6. Expenditures:

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

7. Compensated Absences:

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

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

7. Compensated Absences: (Continued)

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

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

**F. Financial Statement Amounts** – (Continued)

8. Interfund Activity:

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

9. Budgets/Budgetary Control:

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

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

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

10. Tuition Receivables:

Tuition charges were established by the Boards of Education based on estimated costs. These rates are subject to change when the actual cost have been determined.

11. Tuition Payable:

Tuition charges for the fiscal years 2018/19 and 2019-20 were based on rates established by the receiving district. These rates are subjected to change when the actual costs have been determined.

12. Use of Estimates:

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

13. Allocation of Costs:

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

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

**E. Financial Statement Amounts** – (Continued)

14. Pensions

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

**F. New Accounting Standards**

The School District has adopted the following GASB statements:

- GASB Statement - No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*: The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. Management is evaluating the potential impact of the adoption of GASB 95 on the School District's financial statements.

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

8. **New Accounting Standards** – (Continued)

- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.
- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District's financial statements.
- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District's financial statements.
- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District's financial statements.
- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District's financial statements.
- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District's financial statements.

**NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

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

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

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

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

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

Deposits:

N.J.S.A. 17:9-41, et seq, establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

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

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

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

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

As of June 30, 2020, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Account	<u>\$2,521,959</u>
TOTAL	<u><u>\$2,521,998</u></u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

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

Custodial Credit Risk:

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

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2020, the District's bank balance \$2,803,810 and was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	2,553,810
TOTAL	<u>\$ 2,803,810</u>

Interest Rate Risk

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

Credit Risk

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

**NOTE 3 - CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73 (S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$688,000 as shown in the approved LRFP.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 745,721
Interest earnings	746
Deposits	
Approved in 2019/2020 Budget	-
Withdrawals	
Approved 2019/2020 Budget	-
Ending balance, June 30, 2020	<u>\$ 746,467</u>

**NOTE 4 – MAINTENANCE RESERVE**

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 4 – MAINTENANCE RESERVE NOTE (Continued)**

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 year is as follows:

Beginning Balance July 1, 2019	\$	338,000
Deposits – Interest		508
Withdrawals – Board Resolution		-
Ending Balance June 30, 2020	\$	<u>338,508</u>

The June 30, 2020 maximum maintenance reserve amount is \$338,322.

**NOTE 5 – EMERGENCY RESERVE**

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

**NOTE 5 – EMERGENCY RESERVE – (Continued)**

The activity of the emergency reserve for the July 1, 2019 to June 30, 2020 year is as follows:

Beginning Balance, July 1, 2019	\$	250,000
Approved in 2019/2020 Budget		
Withdrawals		
Ending balance, June 30, 2020	\$	<u>250,000</u>

**NOTE 6 - TUITION RESERVE ACCOUNTS**

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

As of June 30, 2020, the district has reserved the following amounts in the tuition reserve accounts, of which \$75,000 has been appropriated in the 2020-21 budget:

2020-2021	\$	75,000
2021-2022		125,000
TOTAL		<u>\$ 200,000</u>



**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7 - FIXED ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance July 1, 2019</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Ending Balance June 30, 2020</u>
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	\$ 25,071	\$ -	\$ -	\$ 25,071
Total Capital Assets not Being Depreciated	25,071			25,071
Building and Building Improvements	\$ 11,161,351		(1,448,552)	9,712,799
Site Improvements	159,179	15,490		174,669
Machinery & Equipment	586,031	10,775	(64,580)	532,226
Totals at Historical Cost	11,906,561	26,265	(1,513,132)	10,444,765
Less Accumulated Depreciation for :				
Building and Improvements	(3,573,372)	(247,716)	181,882	(3,639,206)
Site Improvements	(135,949)	(7,092)	(1,826)	(144,867)
Machinery & Equipment	(475,531)	(11,206)	7,695	(479,042)
Total Accumulated Depreciation	(4,184,852)	(266,014)	187,751	(4,263,115)
<b>Government Activities Capital Assets, Net</b>	<b>\$ 7,721,709</b>	<b>\$(239,749)</b>	<b>\$ (1,325,381)</b>	<b>\$ 6,181,650</b>
	<b>To A-1</b>			<b>To A-1</b>
Business-type Activities - Equipment				
Equipment - Enterprise Fund	\$ 112,879			\$ 112,879
Equipment - Internal Service Fund	10,117			10,117
<b>Less Accumulated Depreciation</b>				
Equipment - Enterprise Fund	(98,955)	(5,034)		(103,989)
Equipment - Internal Service Fund	(8,392)	(1,150)		(9,542)
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 15,649</b>	<b>\$ (6,184)</b>	<b>\$ -</b>	<b>\$ 9,465</b>

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

Instruction:	
Regular	\$ 194,950
Special Education	15,792
Support Services:	
School Administration	20,530
General and Business Administrative Services	20,530
Plant Operations and Maintenance	14,212
Total Depreciation Expense	<u>\$ 266,014</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 8 - OPERATING LEASES**

The District has a commitment for copiers under an operating lease. The lease for the copiers is for a term of 60 months. Total operating lease payments made during the year ended June 30, 2020 were \$26,229. Future minimum lease payments are as follows:

<u>Year</u> <u>June 30,</u>	<u>Amount</u>
2021	\$ 26,088
2022	26,088
2023	26,088
2024	22,692
Total	<u>\$ 100,956</u>

**NOTE 9 - GENERAL LONG-TERM DEBT**

<u>Balance at</u> <u>6/30/2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at</u> <u>6/30/2020</u>	<u>Amounts</u> <u>Due Within 1</u> <u>Year</u>
\$ 204,802	\$ -	\$ 22,931	\$ 181,871	\$ 11,000
1,641,000	-	325,000	1,316,000	335,000
1,905,555	-	187,594	1,717,961	
<u>\$ 3,751,357</u>	<u>\$ -</u>	<u>\$ 535,525</u>	<u>\$ 3,751,357</u>	<u>\$ 346,000</u>

**A. Bonds Payable:**

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

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

The \$2,345,000 Refunding Bonds, included issuance costs of \$29,454. \$2,296,225 was used to retire bonds from the 1998 issue and \$19,321 was returned to the District. The gross debt service savings to the District is \$95,645 and the economic benefit to the District is estimated to be \$77,042. The balance in these bonds as of June 30, 2020 is \$365,000.

On January 7, 2010, the District issued School Bonds in the amount of \$2,216,000 in order to partially finance the construction of an addition as well as undertake various improvements and renovations to the Myron L. Powell Elementary School. The total cost of the project is \$6,549,146. The project is being permanently funded through the aforementioned Bonds in the amount of \$2,216,000., a grant from the State of New Jersey in the amount of \$4,032,260, the transfer of \$300,000 from the Capital Reserve Account and \$786 of other available Board funds. The balance in these bonds as of June 30, 2020 is \$951,000.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 9 - GENERAL LONG-TERM DEBT** – (Continued)

The following is a schedule of the future bond principal and interest payments due as of June 30, 2020.

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 335,000	\$ 46,531	\$ 381,531
2022	335,000	33,719	368,719
2023	240,000	20,731	260,731
2024	200,000	11,475	211,475
2025	206,000	3,863	209,863
<b>TOTAL</b>	<b>\$1,316,000</b>	<b>\$116,319</b>	<b>\$ 1,432,319</b>

See Exhibit I-1 for further information on bonds payable.

**A. Bond Authorized But Not Issued:**

As of June 30, 2020, the Board had no authorized but not issued bonds.

**B. Capital Leases Payable:**

The district has no capital leases.

**NOTE 10 – PENSION PLANS**

**A. Public Employees' Retirement System (PERS)**

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

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

The following represents the membership tiers for PERS:

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION PLANS** – (Continued)

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

**A. Public Employees' Retirement System (PERS) – (Continued)**

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the School District reported a liability of \$1,965,175 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2018. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The School District's proportion measured as of June 30, 2018, was .0099808288%, which was an increase of .9900191712% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$214,718 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date. At June 30, 2020, the School 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
Differences between expended and actual experience	\$ 37,476.	\$ 10,133.
Changes of assumptions	323,828.	628,359.
Net difference between projected and actual earnings on pension plan investments	0.	18,433.
Changes in proportion and difference between School District contributions and proportionate share of contributions	447,048.	66,452.
School District contributions subsequent to the measurement date	193,026.	0.
<b>Total</b>	<b>\$ 1,001,378.</b>	<b>\$ 723,377.</b>

\$193,026 was reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 10 – PENSION PLANS** – (Continued)

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

Year ended June 30,		
2020	\$	(3,921)
2021		5,428
2022		38,924
2023		33,740
2024		10,804
Total	\$	<u>84,975</u>

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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 Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2018 are summarized in the following table:

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 10 – PENSION PLANS** – (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Asset	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 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the School District's proportionate share of the net pension liability as of June 30, 2018, calculated using the discount rate of 5.66% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
School District's proportionate share of the net pension liability	\$ 2,470,982.	\$ 1,965,175.	\$ 1,540,836.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION PLANS – (Continued)**

**A. Public Employees' Retirement System (PERS) – (Continued)**

<u>Three-Year Trend Information for PERS</u>		
<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>
June 30, 2020	\$ 99,850.	100%
June 30, 2018	76,487.	100%
June 30, 2017	77,077.	100%

**B. Teacher's Pension and Annuity (TPAF)**

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

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

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. 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 2018, the State's pension contribution was less than the actuarial determined amount.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION PLANS** – (Continued)

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

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

Pension Liability and Pension Expense - The State’s proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2018 was \$18,832,825. The School District’s proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State’s proportionate share of the net pension liability associated with the District was based on projection of the State’s long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .0296030503%, which a decrease of .9576773688% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2020, the School District recognized \$1,097,888 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.



**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION PLANS – (Continued)**

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

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, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Asset	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 4.86% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 50% 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 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.

Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District’s annual required contribution. The following represents the State’s proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.86% as well as what the State’s proportionate share of the net pension liability, attributable to the School District’s would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 – PENSION PLANS** – (Continued)

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

	<b>At 1% Decrease (3.86%)</b>	<b>At current discount rate (4.86%)</b>	<b>At 1% Increase (5.86%)</b>
State of New Jersey’s Proportionate Share of Net Pension Liability associated with School District	\$ 22,325,997.	\$ 18,888,626.	\$ 16,039,129.

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

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

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Contribution</u>	<u>Post-Retirement</u> <u>Medical (PRM)</u> <u>Contribution</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>	<u>Total</u> <u>Contribution</u>
June 30, 2020	\$ 639,604.	\$ 290,123.	\$ 824.	\$ 930,551.
June 30, 2018	446,528.	288,403.	625.	735,556.
June 30, 2017	337,141.	280,915.	1,056.	619,112.

During the fiscal years ended June 30, 2020, 2018 and 2017, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$239,764; \$243,964; and \$239,716; during the same fiscal years for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees’ Retirement System (PERS) or Teachers’ Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 10 – PENSION PLANS** – (Continued)

**C. Defined Contribution Plan (DCRP)**

- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

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

For the year ended June 30, 2020, employee contributions totaled \$2,253, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$1,229.

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Special Funding Situation**

The participating local education employer allocations included in the supplemental schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2019, was \$41,729,081,045. Of this amount, the total OPEB liability attributable to the School District was \$12,518,491. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03000%. The total OPEB liability for the School District measured as of June 30, 2019 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2019 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Age	Age
Through 2026	1.55% - 3.05%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 3.05%	3.00% - 7.00%	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Discount rate**

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
State of New Jersey	
<b>Balance as of June 30, 2018 Measurement Date</b>	\$ <u>46,110,832,982</u>
Changes for the year:	
Service Cost	1,734,404,850
Interest	1,827,787,206
Changes of Benefit Terms	
Differences between Expected and Actual experience	(7,323,140,818)
Changes of Assumptions	622,184,027
Benefit Payments	(1,280,958,373)
Contributions from Members	<u>37,971,171</u>
<b>Net Changes</b>	<u>(4,381,751,937)</u>
<b>Balance as of June 30, 2019 Measurement Date</b>	\$ <u><u>41,729,081,045</u></u>

**Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2019, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB 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>June 30, 2019</u>			
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	2.50%	3.50%	4.50%
\$	49,298,534,898	41,729,081,045	35,716,321,820

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

<u>June 30, 2019</u>			
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	34,832,902,820	41,729,081,045	51,453,912,586

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the School District recognized OPEB expense of \$486,411. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$	\$ 3,145,431
Changes of Assumptions		2,544,411
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	965,409	
Contributions Subsequent to the Measurement Date		
Total	\$ 965,409	\$ 5,689,842

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,		OPEB
2020	\$	(638,791)
2021		(638,791)
2022		(638,791)
2023		(638,791)
2024		(638,791)
Thereafter		(1,530,478)
Total	\$	(4,724,433)

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - COMPENSATED ABSENCES**

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

**NOTE 13 - DEFERRED COMPENSATION**

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

Lincoln Investments  
Metropolitan

**NOTE 14 - RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 7,106	\$ 5,601	\$ 179	\$23,838	\$148,451
2018-2019	0	8,705	168	5,250	159,403
2017-2018	0	7,494	174	4,853	155,780

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 15 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

The following interfund balances remained on the balance sheet at June 30, 2020.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$258,751	\$93,359
Special Revenue Fund		205,774
Food Service Fund	33,359	
Hawk Latchkey Fund		26,549
Unemployment Trust Fund	75,265	
Payroll Agency Fund		41,693
	<u>\$367,375</u>	<u>\$367,375</u>

The amounts due from Special Revenue Fund to the General Fund represents cash deficit in Special Revenue Fund due to delays in receiving grant funds.

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

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

**NOTE 16 - CONTINGENT LIABILITIES**

**GRANT PROGRAM**

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

**LITIGATION**

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

**NOTE 17 - TAX ABATEMENTS**

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

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



**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 18 - CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$764,888.

**NOTE 19 - DEFICIT FUND BALANCES**

The District has a deficit in unassigned fund balances of \$(336,018) in the General Fund and \$(69,234) in the Special Revenue Fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(336,018) in the General Fund is less than the last two state aid payments and the Special Revenue deficit of \$(69,234) is equal to the last state aid payments.

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 20 - FUND BALANCE**

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2020.

RESTRICTED

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

General Fund:

Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$764,888; \$232,534 has been restricted and designated for utilization in the 2020-2021 budget and \$532,354 will be budgeted in the 2021-22 budget.

Capital Reserve Account: As of June 30, 2020, the balance in the capital reserve account is \$746,467, of which \$745,000 has been appropriated in the 2020-21 budget. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2020, the balance in the maintenance reserve account is \$338,508. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Emergency Reserve Account: As of June 30, 2020, the balance in the emergency reserve was \$250,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

Tuition Reserve Account – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the District has a restricted fund balance in the amount of \$200,000 in a legal reserve for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective year and \$75,000 of the balance has been appropriated in the 2020-21 budget.

COMMITTED

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

Other Purposes: As of June 30, 2020, the School District had \$81,411 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 20 - FUND BALANCE** – (Continued)

ASSIGNED

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

Debt Service Fund:

The Debt Service Fund balance as of June 30, 2020 was \$1

For Subsequent Year’s Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021, \$19,243 of unassigned general fund balance, \$745,000 of capital project fund balance and \$75,000 of the Tuition Reserve fund balance at June 30, 2020.

UNASSIGNED

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

General Fund:

As of June 30, 2020, the deficit in unassigned fund balance of the general fund was \$(336,018).

**NOTE 21. RECEIVABLES**

Receivables at June 30, 2020 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the School District’s individual major and fiduciary funds, in the aggregate, are as follows:

<b>Receivables:</b>	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Enterprise Funds</b>	<b>Total</b>
Governmental	\$ 304,031	\$ 336,419	\$ 25,800	\$ 666,250
Other			67,527	67,527
<b>Totals</b>	<b>\$ 304,031</b>	<b>\$ 336,419</b>	<b>\$ 93,327</b>	<b>\$ 733,777</b>

**NOTE 22 - SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2020 through December 6, 2020, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,329,039		\$ 2,329,039	\$ 2,329,039	
Tuition Fees				51,921	51,921
Transportation Fees from Other LEAs				2,856	2,856
Unrestricted Miscellaneous Revenues	20,000		20,000	53,737	33,737
Interest Earned				5,256	5,256
Interest Earned on Maintenance Reserve	50		50	508	458
Interest Earned on Capital Reserve Funds	225		225	746	521
<b>Total - Local Sources</b>	<b>2,349,314</b>		<b>2,349,314</b>	<b>2,444,063</b>	<b>94,749</b>
State Sources:					
Equalization Aid	5,213,334		5,213,334	5,213,334	
School Choice Aid	471,240		471,240	471,240	
Categorical Transportation Aid	87,111		87,111	87,111	
Categorical Special Education Aid	372,413		372,413	372,413	
Categorical Security Aid	160,344		160,344	160,344	
Extraordinary Aid				20,985	20,985
On-Behalf TPAF Pension Contrib (Non-budgeted)				660,853	660,853
On-behalf Post-Retirement Medical Contribution				245,164	245,164
On-behalf Long-term Disability Contribution				525	525
Reimbursed TPAF Social Security Contributions (Non-budgeted)				285,522	285,522
<b>Total - State Sources</b>	<b>6,304,442</b>		<b>6,304,442</b>	<b>7,517,491</b>	<b>1,213,049</b>
Federal Sources:					
Medicaid Reimbursements	20,776		20,776	7,470	(13,306)
	20,776		20,776	7,470	(13,306)
<b>TOTAL REVENUES</b>	<b>8,674,532</b>		<b>8,674,532</b>	<b>9,969,024</b>	<b>1,294,492</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Salaries of Teachers:					
Kindergarten	329,713	(43,530)	286,183	286,146	37
Grades 1-5	1,237,430	(98,833)	1,138,597	1,136,225	2,372
Grades 6-8	648,810	6,350	655,160	647,977	7,183
Regular Programs - Home Instruction:					
Salaries of Teachers	2,500	(1,700)	800	341	459
Purchased Professional-Educational Services	5,000	(600)	4,400	3,712	688
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	101,106	(24,501)	76,605	76,591	14
Other Purchased Services	78,385	(78,385)			
Purchased Professional-Educational Services	1,000	66,519	67,519	66,249	1,270
General Supplies	131,807	22,778	154,585	99,576	55,009
Textbooks	3,000	70,404	73,404	20,765	52,639
Other Objects	1,500	2,880	4,380	4,376	4
<b>Total Regular Programs - Instruction</b>	<b>\$ 2,540,251</b>	<b>\$ (78,618)</b>	<b>\$ 2,461,633</b>	<b>\$ 2,341,958</b>	<b>\$ 119,675</b>

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES:</b>					
Special Education - Learning/language Disabilities					
Salaries of Teachers	\$	\$ 140,162	\$ 140,162	\$ 140,162	\$
Total Learning/language Disabilities		140,162	140,162	140,162	
Resource Room/Resource Center					
Salaries of Teachers	274,474	(11,250)	263,224	263,224	
Other Salaries for Instruction	52,755	155,508	208,263	194,135	14,128
Total Resource Room/Resource Center	327,229	144,258	471,487	457,359	14,128
Preschool Disabilities					
Salaries of Teachers	63,081		63,081	63,081	
Total Preschool Disabilities-Full Time	63,081		63,081	63,081	
Total Special Education - Instruction	390,310	284,420	674,730	660,602	14,128
Basic Skills/Remedial - Instruction					
Salaries of Teachers		4,976	4,976		4,976
Total Basic Skills/Remedial - Instruction		4,976	4,976		4,976
Bilingual Education					
Salaries of Teachers	42,352	(14,677)	27,675	27,206	469
Total Bilingual Education	42,352	(14,677)	27,675	27,206	469
School Sponsored Co-curricular Activities - Instruction					
Salaries of Teachers	18,000		18,000	14,324	3,676
Purchased Services	2,500		2,500		2,500
Supplies and Materials	1,500		1,500	699	801
Total School Sponsored Co-curr. Act. - Instr.	22,000		22,000	15,023	6,977
School Sponsored Athletics - Athletics					
Salaries of Teachers	25,000	177	25,177	25,177	
Other Purchased Services	2,500	70	2,570	2,570	
Supplies and Materials	7,250	(247)	7,003	3,568	3,435
Total School Sponsored Athletics - Instruction	34,750		34,750	31,315	3,435
Total Instruction	3,029,663	196,101	3,225,764	3,076,104	149,660
Undistributed Expenditures:					
Instruction					
Tuition to Other LEA's Within State-Regular	780,354	5	780,359	780,354	5
Tuition to Other LEA's Within State-Special	225,319	(14,370)	210,949	210,946	3
Tuition to County Voc. School Dist-Regular	201,014	(18,822)	182,192	175,886	6,306
Tuition to County Voc. School Dist-Special	50,657	36,200	86,857	86,814	43
Tuition - CSSD & Regular Day Schools	178,725	129,310	308,035	190,996	117,039
Tuition to Priv. Sch. for the Disabled W/I State	319,379	(175,595)	143,784	107,569	36,215
Total Instruction	1,755,448	(43,272)	1,712,176	1,552,565	159,611
Attendance and Social Work Services:					
Salaries	33,059		33,059	33,059	
Total Attendance and Social Work Services	33,059		33,059	33,059	
Health Services:					
Salaries	63,081	360	63,441	63,441	
Purch Professional/Technical Services	3,700	23	3,723	2,581	1,142
Supplies and Materials	2,675	3,566	6,241	5,170	1,071
Total Health Services	\$ 69,456	\$ 3,949	\$ 73,405	\$ 71,192	\$ 2,213

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
Undistributed Expenditures: (Continued)					
Speech, OT, PT and Related Services:					
Salaries	\$ 91,481	\$ (3,344)	\$ 88,137	\$ 88,137	
Purchased Professional/Educational Services	22,000	4,233	26,233	19,120	7,113
Supplies and Materials	1,500	925	2,425	1,768	657
Other Objects		804	804	804	
<b>Total Speech, OT, PT and Related Services</b>	<b>114,981</b>	<b>2,618</b>	<b>117,599</b>	<b>109,829</b>	<b>7,770</b>
Other Support Services-Students-Extra Services:					
Salaries	282,499	(148,162)	134,337	134,179	158
Purchased Professional/Educational Services	15,000	26,938	41,938	40,976	962
<b>Total Other Support Serv-Students-Extra Services</b>	<b>297,499</b>	<b>(121,224)</b>	<b>176,275</b>	<b>175,155</b>	<b>1,120</b>
Guidance					
Salaries of Other Professional Staff	67,231	-	67,231	59,719	7,512
<b>Total Undistributed Services Guidance</b>	<b>67,231</b>		<b>67,231</b>	<b>59,719</b>	<b>7,512</b>
Other Support Services-Students-Child Study Teams:					
Salaries of Other Professional Staff	152,261	(1)	152,260	152,050	210
Salaries of Secretarial and Clerical Assistants	43,000	1	43,001	43,000	1
Purchased Professional - Educational Services	28,000	(1,739)	26,261	8,110	18,151
Other Purchased Prof. and Tech. Services	1,500	119	1,619	1,619	
Other Purchased Services	7,620	(7,620)			
Misc. Pur. Serv. (400-500 series O/than Resid Costs)		5,858	5,858	5,618	240
Supplies and Materials	6,000	2,695	8,695	8,694	1
Other Objects	550	(33)	517	513	4
<b>Total Other Support Serv-Child Study Teams</b>	<b>238,931</b>	<b>(720)</b>	<b>238,211</b>	<b>219,604</b>	<b>18,607</b>
Improvement of Instruction Services:					
Salaries of Other Professional Staff		8,369	8,369	2,230	6,139
Purchased Prof - Ed Services	10,000	(10,000)			
<b>Total Improvement of Instruction Services</b>	<b>10,000</b>	<b>(1,631)</b>	<b>8,369</b>	<b>2,230</b>	<b>6,139</b>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	39,727	(3,440)	36,287	35,727	560
Other Salaries	50,204	1,000	51,204	51,204	
Purchased Professional/Educational Services	6,850		6,850	6,570	280
Other Purchased Services	4,000	2,440	6,440	5,439	1,001
Other Objects	1,900		1,900	1,744	156
<b>Total Instructional Staff Training Services</b>	<b>\$ 102,681</b>		<b>\$ 102,681</b>	<b>\$ 100,684</b>	<b>\$ 1,997</b>



**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
Undistributed Expenditures: (Continued)					
Support Services - General Administration:					
Salaries	\$ 78,746		\$ 78,746	\$ 78,746	
Legal Fees	15,000		15,000	7,979	7,021
Audit Fees	22,600		22,600	20,000	2,600
Other Purchased Prof Services	5,600		5,600	3,065	2,535
Purchased Technical Services	3,800		3,800	3,696	104
Communications/Telephone	40,000		40,000	27,602	12,398
Misc. Purch Serv (400-500) [Other than 530 & 585]	15,359		15,359	10,866	4,493
General Supplies	3,000	(62)	2,938	2,618	320
Miscellaneous Expenditures	1,600	18,825	20,425	1,934	18,491
BOE Other Purchased Services	4,500		4,500	4,057	443
<b>Total Support Services - School Administration</b>	<b>190,205</b>	<b>18,763</b>	<b>208,968</b>	<b>160,563</b>	<b>48,405</b>
Support Services - School Administration:					
Salaries of Principals/Asst. Principals/Prog Dir	70,314	975	71,289	71,288	1
Salaries of Secretarial/Clerical Assistants	55,966	248	56,214	56,209	5
Other Salaries	11,464	4,672	16,136	16,135	1
Purchased Professional and Technical Services	10,500	620	11,120	11,118	2
Other Purchased Services	8,500	(1,407)	7,093	6,658	435
Supplies and Materials	15,000	(4,635)	10,365	1,963	8,402
Other Objects	2,750	16,767	19,517	14,973	4,544
<b>Total Support Services - School Administration</b>	<b>174,494</b>	<b>17,240</b>	<b>191,734</b>	<b>178,344</b>	<b>13,390</b>
Central Services:					
Salaries	154,045		154,045	154,045	
Purchased Professional Services		630	630	628	2
Purchased Technical Services	20,000		20,000	20,000	
Misc. Purchased Services	2,850		2,850	1,309	1,541
Supplies and Maintenance	1,100	(630)	470	119	351
Misc. Expenditures	500	25,300	25,800	990	24,810
<b>Total Central Services</b>	<b>178,495</b>	<b>25,300</b>	<b>203,795</b>	<b>177,091</b>	<b>26,704</b>
Administrative Information Technologys:					
Purchased Technical Services	30,000	(4,700)	25,300	19,286	6,014
<b>Total Admin.</b>	<b>30,000</b>	<b>(4,700)</b>	<b>25,300</b>	<b>19,286</b>	<b>6,014</b>
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	97,600		97,600	87,941	9,659
General Supplies	2,500		2,500		2,500
<b>Total Required Maintenance for School Facilities</b>	<b>100,100</b>		<b>100,100</b>	<b>87,941</b>	<b>12,159</b>
Other Operation and Maintenance of Plant Services:					
Salaries	177,602	(5,000)	172,602	160,922	11,680
Salaries of Non-Instructional Aides		693	693	693	
Purchased Professional/Technical Services	30,000	894	30,894	28,040	2,854
Cleaning, Repair and Maintenance Services	41,400	381	41,781	38,780	3,001
Other Purchased Property Services	38,215	(38,215)			
Insurance	2,800	31,075	33,875	33,840	35
Miscellaneous Purchased Services	35,000	(32,200)	2,800	2,740	60
General Supplies		38,000	38,000	11,239	26,761
Energy (Natural Gas)	21,000	3,299	24,299	22,203	2,096
Energy (Electricity)	99,000	797	99,797	99,569	228
Other Objects	1,500	276	1,776	1,776	
<b>Total Other Operation and Maint. of Plant Services</b>	<b>446,517</b>		<b>446,517</b>	<b>399,802</b>	<b>46,715</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>\$ 546,617</b>		<b>\$ 546,617</b>	<b>\$ 487,743</b>	<b>\$ 58,874</b>

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
Undistributed Expenditures: (Continued)					
Student Transportation Services:	\$	\$	\$	\$	\$
Salaries for Non Instructional Aides		5,003	5,003	4,861	142
Sal. For Pupil Trans (Btw Home & School) - Reg	11,947	1,000	12,947	12,946	1
Other Purchased Professional and Technical Serv	1,000		1,000	1,000	
Contracted Services - Aid in Lieu Payments - Non-Pub.	14,000	(3,500)	10,500	4,787	5,713
Contracted Services - Aid in Lieu Payments - Charter Sch.	1,000	(1,000)			
Contracted Services - Aid in Lieu Payments - Choice Sch	5,000	1,000	6,000	4,103	1,897
Contracted Services - (Bet. Home and Sch.) - Vendors	491,572	21,000	512,572	464,623	47,949
Contract Serv (Other than Btw Home & School) Vendors	50,100	(23,503)	26,597	8,975	17,622
Contracted Services - ESC & CTSA	311,000		311,000	268,577	42,423
General Supplies	300		300		300
<b>Total Student Transportation Services</b>	<b>885,919</b>		<b>885,919</b>	<b>769,872</b>	<b>116,047</b>
Unallocated Benefits					
Social Security Contributions	80,000	30,420	110,420	110,327	93
Other Retirement Contributions - PERS	103,176	(10,000)	93,176	93,176	
Unemployment Compensation	30,000		30,000	30,000	
Workmen's Compensation	47,009	4,440	51,449	51,449	
Health Benefits	976,206	(92,536)	883,670	859,182	24,488
Tuition Reimbursement	5,000	(830)	4,170	4,170	
Other Employee Benefits	23,600	(6,330)	17,270	14,380	2,890
<b>Total Unallocated Benefits</b>	<b>1,264,991</b>	<b>(74,836)</b>	<b>1,190,155</b>	<b>1,162,684</b>	<b>27,471</b>
On-Behalf TPAF Pension Contrib (Non-budgeted)				660,853	(660,853)
On-Behalf TPAF Post Retirem. Medical Contrib.(Non-budgeted)				245,164	(245,164)
On-behalf Long-term Disability Contribution				525	(525)
Reimbursed TPAF Soc. Sec. Contrib. (Non-budgeted)				285,522	(285,522)
<b>Total Undistributed Expenditures</b>	<b>5,960,007</b>	<b>(178,513)</b>	<b>5,781,494</b>	<b>6,471,684</b>	<b>(690,190)</b>
Interest Deposit to Capital Res	50		50		50
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>\$ 8,989,720</b>	<b>\$ 17,588</b>	<b>\$ 9,007,308</b>	<b>\$ 9,547,788</b>	<b>\$ (540,480)</b>

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CAPITAL OUTLAY:</b>					
Undistributed Expenditures:					
Equipment					
Instruction	\$ 7,000		\$ 7,000	\$ 6,995	\$ 5
Required Maintenance for School Facilities		19,270	19,270	19,270	
Total Undistributed Expenditures	<u>7,000</u>	<u>19,270</u>	<u>26,270</u>	<u>26,265</u>	<u>5</u>
Facilities Acquisition and Construction Services:					
Construction Services					
Land and Improvements					
Assessment for Debt Service on SDA Funding	40,020		40,020	40,020	
Total Facilities Acquisition and Construction Services	<u>40,020</u>		<u>40,020</u>	<u>40,020</u>	
Interest Deposit to Capital Res	225		225		225
<b>TOTAL CAPITAL OUTLAY</b>	<u>47,245</u>	<u>19,270</u>	<u>66,515</u>	<u>66,285</u>	<u>230</u>
<b>TOTAL EXPENDITURES</b>	<u>9,036,965</u>	<u>36,858</u>	<u>9,073,823</u>	<u>9,614,073</u>	<u>(540,250)</u>
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	<u>(362,433)</u>	<u>(36,858)</u>	<u>(399,291)</u>	<u>354,951</u>	<u>754,242</u>
Transfer to Charter School	(8,878)		(8,878)	(2,116)	6,762
Total Other Financing Sources	<u>(8,878)</u>		<u>(8,878)</u>	<u>(2,116)</u>	<u>6,762</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(371,311)</u>	<u>(36,858)</u>	<u>(408,169)</u>	<u>352,835</u>	<u>761,004</u>
Fund Balances, July 1	2,318,667		2,318,667	2,318,667	
Fund Balances, June 30	\$ <u>1,947,356</u>	\$ <u>(36,858)</u>	\$ <u>1,910,498</u>	\$ <u>2,671,502</u>	\$ <u>761,004</u>
<b>RECAPITULATION :</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				\$ 1,467	
Maintenance Reserve				338,508	
Emergency Reserve				250,000	
Tuition Reserve				125,000	
Excess Surplus				532,354	
Excess Surplus - Designated for Subsequent Year's Expenditures				232,534	
<b>Assigned Fund Balance:</b>					
Encumbrances				81,411	
Capital Reserve				745,000	
Tuition Reserve				75,000	
Designated for Subsequent Year's Expenditures				19,243	
<b>Unassigned Fund Balance</b>				<u>270,985</u>	
				2,671,502	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(607,003)	
Fund Balance per Governmental Funds (GAAP)				\$ <u>2,064,499</u>	

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources	\$	\$ 3,831	\$ 3,831	\$ 3,831	\$
Federal Sources	355,055	300,159	655,214	595,554	(59,660)
State Sources	699,169	1,071	700,240	699,168	(1,072)
<b>Total Revenues</b>	<b>1,054,224</b>	<b>305,061</b>	<b>1,359,285</b>	<b>1,298,553</b>	<b>(60,732)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	484,314	(8,990)	475,324	475,324	
Other Salaries for Instruction	153,036		153,036	153,036	
General Supplies	26,388	131,813	158,201	153,511	4,690
Other Purchased Services	128,669	38,095	166,764	166,344	420
<b>Total Instruction</b>	<b>792,407</b>	<b>160,918</b>	<b>953,325</b>	<b>948,215</b>	<b>5,110</b>
<b>Support Services</b>					
Salaries of Other Professional Staff	11,947		11,947	11,947	
Salaries of Family/parent Liaison	9,227		9,227	9,227	
Salaries of Master Teacher	34,866		34,866	34,866	
Employee Benefits	196,277	72,100	268,377	268,377	
Purchased Professional Technical Services		900	900		900
Contr. Serv. Trans (Field Trips)	4,500		4,500	4,500	
Travel	3,000	(1,516)	1,484	1,484	
Other Purchased Services		23,702	23,702	8,861	14,841
Communications/Telephone		7,270	7,270	7,270	
Materials and Supplies	2,000	41,687	43,687	3,806	39,881
<b>Total Support Services</b>	<b>261,817</b>	<b>144,143</b>	<b>405,960</b>	<b>350,338</b>	<b>55,622</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment					
<b>Total Facilities Acquisition and Constr. Serv.</b>					
<b>Total Expenditures</b>	<b>1,054,224</b>	<b>305,061</b>	<b>1,359,285</b>	<b>1,298,553</b>	<b>60,732</b>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<b>1,054,224</b>	<b>305,061</b>	<b>1,359,285</b>	<b>1,298,553</b>	<b>60,732</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**BUDGET-TO-GAAP RECONCILIATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1] \$	9,969,024	[C-2] \$	1,298,553
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Prior Year				1,372
Current Year				(114,395)
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.		599,335		49,485
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(607,003)		(69,234)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$	9,961,356	[B-2] \$	1,165,781
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$	9,614,073	[C-2] \$	1,298,553
Differences - budget to GAAP				
Encumbrances for supplies and equipment order not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
				(113,023)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$	9,614,073	[B-2] \$	1,185,530

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
District's Proportion of the Net Pension Liability	0.009534%		0.998083%		0.814060%		0.860831%		0.806251%		0.007100%
District's Proportionate Share of the Net Pension Liability	\$ 1,717,961	\$	1,965,175	\$	1,895,002	\$	2,549,535	\$	1,809,873	\$	1,329,374
District's Covered-Employee Payroll	\$ 929,171	\$	761,949	\$	671,710	\$	649,003	\$	535,649	\$	565,567
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	184.89%		257.91%		282.12%		392.84%		337.88%		235.05%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	56.27%		53.60%		48.10%		40.14%		47.93%		48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 93,176	75,414	\$ 76,475	\$ 69,316	\$ 58,534	\$ 53,799
Contributions in relation to the Contractually Required Contribution	(93,176)	(75,414)	(76,475)	(69,316)	(58,534)	(53,799)
Contribution Deficiency (Excess)	<u>\$</u>	<u></u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 929,171	761,949	\$ 671,710	\$ 649,003	\$ 535,649	\$ N/A
Contributions as a Percentage of Covered-Employee Payroll	10.03%	9.90%	11.39%	10.68%	10.93%	N/A

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**  
**Last Ten Fiscal Years\***

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
District's Proportion of the Net Pension Liability	0.031854%		0.029603%		0.029973%		0.029719%		0.028916%		0.031380%
District's Proportionate Share of the Net Pension Liability	\$ 19,549,051	\$	18,832,825	\$	20,209,134	\$	23,378,600	\$	18,276,441	\$	16,771,755
District's Covered-Employee Payroll	\$ 3,980,788	\$	3,338,564	\$	3,184,233	\$	3,197,992	\$	2,997,423	\$	3,065,268
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	491.08%		564.10%		634.66%		731.04%		609.74%		547.15%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.95%		26.49%		25.41%		28.71%		28.71%		33.64%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING**  
**FOR POSTEMPLOYMENT BENEFITS OTHER THAN**  
**PENSIONS**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 580,344	\$ 583,577	\$ 672,981
Interest Cost	532,138	555,074	478,156
Changes of Benefit Terms			
Differences Between Expected and Actual Experiences	(1,762,431)	(998,846)	
Changes of Assumptions	186,652	(1,532,516)	(1,993,891)
Member Contributions	11,391	12,342	12,872
Gross Benefit Payments	(384,280)	(357,099)	(349,566)
<b>Net Change in Total OPEB Liability</b>	<u>(836,186)</u>	<u>(1,737,468)</u>	<u>(1,179,448)</u>
<b>Total OPEB Liability - Beginning</b>	13,354,677	15,092,145	16,271,593
<b>Total OPEB Liability - Ending</b>	<u>\$ 12,518,491</u>	<u>\$ 13,354,677</u>	<u>\$ 15,092,145</u>
<b>Covered-Employee Payroll</b>	\$ 4,909,959	\$ 4,100,513	\$ 3,855,943
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	254.96%	325.68%	391.40%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience. The decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions. The decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**SPECIAL REVENUE FUND - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	<u>NCLB Title I 2019-20</u>	<u>NCLB Title II</u>	<u>Cares Act</u>	<u>Pre- School</u>	<u>Sub-Total Per E-1(2)</u>	<u>Totals</u>	
						<u>2020</u>	<u>2019</u>
<b>REVENUES:</b>							
Local Sources	\$	\$	\$	\$	\$ 3,831	\$ 3,831	\$ 38.00
Federal Sources	243,582	35,219	129,343		187,410	595,554	472,641
State Sources				699,168		699,168	500,216
<b>Total Revenues</b>	<b>243,582</b>	<b>35,219</b>	<b>129,343</b>	<b>699,168</b>	<b>191,241</b>	<b>1,298,553</b>	<b>972,857</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	180,000	26,000		269,324		475,324	404,909
Other Salaries for Instruction				153,036		153,036	103,205
General Supplies	582	119	120,191	14,992	17,627	153,511	50,807
Other Purchased Serv.					166,344	166,344	160,836
<b>Total Instruction</b>	<b>180,582</b>	<b>26,119</b>	<b>120,191</b>	<b>437,352</b>	<b>183,971</b>	<b>948,215</b>	<b>719,757</b>
Support Services:							
Salaries of Other Professional Staff				11,947		11,947	77,132
Salaries of Family/parent Liaison				9,227		9,227	
Salaries of Master Teacher				34,866		34,866	
Employee Benefits	63,000	9,100		196,277		268,377	154,118
Purchased Professional Educational Services							2,500
Contr. Serv. Trans (Field Trips)				4,500		4,500	1,450
Travel				1,484		1,484	638
Other Purchased Services			8,861			8,861	
Communications/Telephone					7,270	7,270	
Materials and Supplies			291	3,515		3,806	17,300
<b>Total Support Services</b>	<b>63,000</b>	<b>9,100</b>	<b>9,152</b>	<b>261,816</b>	<b>7,270</b>	<b>350,338</b>	<b>253,138</b>
Facilities Acquisition/Construction:							
Instructional Equipment							
<b>Total Facilities Acquisition/Construction</b>							
<b>Total Expenditures</b>	<b>\$ 243,582</b>	<b>\$ 35,219</b>	<b>\$ 129,343</b>	<b>\$ 699,168</b>	<b>\$ 191,241</b>	<b>\$ 1,298,553</b>	<b>\$ 972,895</b>



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**SPECIAL REVENUE FUND - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	<u>IDEA</u> Basic Flow- Through	<u>IDEA</u> Pre- School	<u>NCLB</u> Title IV	<u>REAP</u>	<u>Safety</u> Grant	<u>Totals</u> 2020
<b>REVENUES:</b>						
Local sources				\$	\$ 3,831	\$ 3,831
Federal Sources	\$ 161,764	\$ 4,580	\$ 13,796	7,270		187,410
State Sources						
<b>Total Revenues</b>	<u>161,764</u>	<u>4,580</u>	<u>13,796</u>	<u>7,270</u>	<u>3,831</u>	<u>191,241</u>
<b>EXPENDITURES:</b>						
Instruction:						
General Supplies			13,796		3,831	17,627
Other Purchased Services	161,764	4,580				166,344
<b>Total Instruction</b>	<u>161,764</u>	<u>4,580</u>	<u>13,796</u>		<u>3,831</u>	<u>183,971</u>
Support Services:						
Communications/Telephone				7,270		7,270
<b>Total Support Services</b>				<u>7,270</u>		<u>7,270</u>
Facilities Acquisition/Construction:						
Instructional Equipment						
<b>Total Facilities Acquisition/Construction</b>						
<b>Total Expenditures</b>	<u>\$ 161,764</u>	<u>\$ 4,580</u>	<u>\$ 13,796</u>	<u>\$ 7,270</u>	<u>\$ 3,831</u>	<u>\$ 191,241</u>

**LAWRENCE TOWNSHIP BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF PRESCHOOL EDUCATION AID**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 269,324	\$ 269,324	\$
Other Salaries for Instruction	153,036	153,036	
Supplies	14,992	14,992	
Total Instruction	437,352	437,352	
Support:			
Salaries - Professional Staff	11,947	11,947	
Salaries - Community/Parent Involvement	9,227	9,227	
Salaries - Masters Teachers	34,866	34,866	
Personal Services - Employee Benefits	196,277	196,277	
Contracted Services - Field Trips	4,500	4,500	
Travel	1,484	1,484	
Supplies	3,515	3,515	
Total Support Services	261,816	261,816	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services:			
Total Expenditures	\$ 699,168	\$ 699,168	\$

**CALCULATION OF BUDGET & CARRYOVER**

Total revised 2019-20 Preschool Education Aid Allocation	\$ 692,340	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2019)	6,828	(2)
Add: Budgeted Transfer from the General Fund 2019-20		(3)
Total Preschool Education Aid Funds Available for 2019-20 Budget	699,168	(4)
Less: 2019-20 Budgeted Preschool Education Aid (including prior year budget carryover)	(699,168)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020		(6)
Add: June 30, 2020 Unexpended Preschool Education Aid		(7)
Less: 2019-20 Commissioner-approved Transfer to the General Fund		(8)
2019-20 Carryover - Preschool Education Aid/Preschool Programs	\$	(9)
2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2020-21	\$	(10)

## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services for the schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5  
AND B-6.**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINED SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2020 AND 2019**

	Food Service Fund	Hawk Latchkey	Total	
			2020	2019
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 121,891	\$ 45,186	\$ 167,077	\$ 96,373
Accounts Receivable:				
State	896		896	170
Federal	24,904		24,904	11,358
Interfund Receivable	33,359		33,359	149,515
Other	28,674		28,674	11,830
Inventories	4,089		4,089	7,204
Total Current Assets	213,813	45,186	258,999	276,450
Fixed Assets:				
Equipment	112,879		112,879	112,879
Accumulated Depreciation	(103,989)		(103,989)	(101,471)
Total Fixed Assets	8,890		8,890	11,408
Total Assets	222,703	45,186	267,889	287,858
Total Deferred Outflow of Resources				30,127
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable	17,933		17,933	95,650
Pension Account Payable				2,830
Interfund Payable		26,549	26,549	29,462
Prepaid Summer Camp				1,340
Prepaid Latchkey		1,340	1,340	7,997
Unearned Revenue	5,654	7,997	13,651	
Total Current Liabilities	23,587	35,886	59,473	137,279
Long-term Debt				
Net Pension Liability				59,620
Total Liabilities	23,587	35,886	59,473	196,899
Deferred Inflow of Resources		21,745		21,745
<b>NET POSITION:</b>				
Investment in Fixed Assets	8,890		8,890	11,408
Unrestricted	190,226	9,300	199,526	87,933
Total Net Position	\$ 199,116	\$ 9,300	\$ 208,416	\$ 99,341

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	Food Service Fund	Hawk Latchkey	Total	
			2020	2019
<b>OPERATING REVENUES:</b>				
Local Sources:				
Food Sales Reimbursable Programs	\$ 28,007	\$	\$ 28,007	\$ 41,948
Food Sales Non-Reimbursable Programs	66,500		66,500	58,727
After School Childcare Fees		17,742	17,742	45,635
Total Operating Revenue	94,507	17,742	112,249	146,310
<b>OPERATING EXPENSES:</b>				
Salaries	78,140		78,140	139,029
Supplies and Materials	12,210		12,210	32,078
Cost of Sales	100,057		100,057	77,824
Cost of Sales - Non Program Food	21,745		21,745	19,520
Pension Expense				2,730
Repairs and Maintenance	1,489		1,489	839
Management Fee	35,000		35,000	35,000
Miscellaneous	6,226	37,089	43,315	16,793
Depreciation	2,518		2,518	2,516
Purchased Services				1,286
Total Operating Expenses	257,385	37,089	294,474	327,615
Operating Income/(Loss)	(162,878)	(19,347)	(182,225)	(181,305)
<b>NON-OPERATING REVENUES:</b>				
State Sources:				
State School Lunch Program	3,378		3,378	2,592
Federal Sources:				
National School Lunch Program	145,350		145,350	119,052
School Breakfast Program	74,680		74,680	44,802
National After School Snack				10,840
Food Distribution Program	13,728		13,728	16,675
Interest		96	96	278
Total Non-Operating Revenues	237,136	96	237,232	194,239
Change in Net Assets Before Operating Transfers In/(out)	74,258	(19,251)	55,007	12,934
Net (Loss)/Income	74,258	(19,251)	55,007	12,934
Net Position - July 1	70,790	28,551	99,341	86,407
Prior Year Pension Adjustment	54,068		54,068	
Net Position - June 30	\$ 199,116	\$ 9,300	\$ 208,416	\$ 99,341

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2020**

	<u>Food</u> <u>Service</u> <u>Fund</u>	<u>Hawk</u> <u>Latchkey</u>	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 94,507	\$ 17,742	\$ 112,249	\$ 98,673
Payments to Employees	(78,140)		(78,140)	(15,779)
Payments to Suppliers	(154,409)		(154,409)	(227,824)
Payments to Others	(6,226)	(40,002)	(46,228)	62,961
Net Cash Provided by (Used for) Operating Activities	<u>(144,268)</u>	<u>(22,260)</u>	<u>(166,528)</u>	<u>(81,969)</u>
Cash Flows from Non-capital Financing Activities				
State Sources	3,378		3,378	1,625
Federal Sources	233,758		233,758	106,049
Interfund Transfer				
Net Cash Provided by (Used for) Non-capital Financing Activities	<u>237,136</u>		<u>237,136</u>	<u>107,674</u>
Cash Flows from Capital Financing Activities				
Net Cash Provided by (Used for) Capital Financing				
Cash Flows from Investing Activities				
Interest and Dividends		96	96	278
Net Cash Provided by (Used for) Investing Activities		<u>96</u>	<u>96</u>	<u>278</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	92,868	(22,164)	70,704	25,983
Balances - Beginning of Year	29,023	67,350	96,373	70,390
Balances - End of Year	<u>\$ 121,891</u>	<u>\$ 45,186</u>	<u>\$ 167,077</u>	<u>\$ 96,373</u>
Operating Income/(Loss)	\$ (162,878)	\$ (19,347)	\$ (182,225)	\$ (181,305)
Adjustments to Reconcile Operating Income/(Loss) to Cash Used by Operating Activities:				
Depreciation	2,518		2,518	2,516
Federal Commodities				16,675
Change in Assets and Liabilities:				
Decrease/(Increase) in Accounts Receivable	(31,116)		(31,116)	29,277
Decrease/(Increase) in Interfund Receivable	116,156		116,156	
Decrease/(Increase) in Other Program Fees Receivable				3,190
Decrease/(Increase) in Inventory	3,115		3,115	(2,442)
Increase/(Decrease) in Outflow of Resources				(6,878)
Increase/(Decrease) in Accounts Payable	(77,717)		(77,717)	30,750
Increase/(Decrease) in Interfund Payable		(2,913)	(2,913)	27,680
Increase/(Decrease) in Pension Accounts Payable				(200)
Increase/(Decrease) in Cash Overdraft				
Increase/(Decrease) in Prepaid Latchkey/Summer				(11,040)
Increase/(Decrease) in Unearned Revenue	5,654		5,654	
Increase/(Decrease) in Inflow of Resources				7,703
Increase/(Decrease) in Net Pension Liability				2,105
Total Adjustments	<u>18,610</u>	<u>(2,913)</u>	<u>15,697</u>	<u>99,336</u>
Net Cash Used by Operating Activities	<u>\$ (144,268)</u>	<u>\$ (22,260)</u>	<u>\$ (166,528)</u>	<u>\$ (81,969)</u>

**INTERNAL SERVICE FUND**

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Internal Service Fund</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash equivalents	\$ 570,687
Accounts Receivable	38,853
	<hr/>
Total current assets	609,540
	<hr/>
Fixed Assets:	
Equipment	10,117
Accumulated Depreciation	(9,542)
	<hr/>
Total Fixed Assets	575
	<hr/>
Total Assets	610,115
	<hr/>
<b>LIABILITIES</b>	
Current Liabilities	
Interfund Payable	
	<hr/>
Total Current Liabilities	
	<hr/>
<b>NET POSITION:</b>	
Invested in Capital Assets Net of Related Debt	575
Unrestricted:	609,540
	<hr/>
Total Net Position	\$ 610,115
	<hr/> <hr/>



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION**  
**JUNE 30, 2020**

	<b>Child Study Team</b>	<b>Shared Business Services</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services:			
Business Services	\$	\$ 191,780	\$ 191,780
Child Study Team	336,633		336,633
	<hr/>	<hr/>	<hr/>
Total operating revenues	336,633	191,780	528,413
	<hr/>	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>			
Salaries	316,290	128,567	444,857
Employee Benefits	5,095	1,106	6,201
General Supplies	1,597	10,295	11,892
Depreciation		1,150	1,150
Miscellaneous	13,651	20,451	34,102
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	336,633	161,569	498,202
	<hr/>	<hr/>	<hr/>
Operating income/(loss)	-	30,211	30,211
NET POSITION, JULY 1, 2019		455,018	455,018
Prior Year Pension Adjustment		124,886	124,886
	<hr/>	<hr/>	<hr/>
NET POSITION JUNE 30, 2020	\$ -	\$ 610,115	\$ 610,115
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**STATEMENT OF NET POSITION**

	<b><u>Internal Service Fund</u></b>
<b>Cash Flow From Operating Activities</b>	
Receipts from customers and Users	\$ 528,413
Payment to employees	(444,857)
Payment to employee benefits	(6,201)
Payment to other	(84,847)
	(7,492)
<b>Cash Flow From Financing Activities</b>	
Purchase of Equipment	_____
Net cash provided by non-capital financing activities	_____
Net increase/(decrease) in cash and cash equivalents	
Cash and cash equivalents July 1	578,179
Cash and cash equivalents June 30	\$ 570,687
	578,179
Operating Income/(Loss)	\$ 30,211
Adjustments to Reconcile Operating Income/(Loss) to Cash Used by Operating Activities:	
Depreciation	1,150
Change in Assets and Liabilities:	
Decrease/(Increase) in Accounts Receivable	(38,853)
Total Adjustments	(37,703)
Net Cash Used by Operating Activities	\$ (7,492)

## FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the school district.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Trust Funds			Agency Funds			Total	
	Unemployment Compensation Trust	Flex Savings Account	Private Purpose Scholarship Fund	Student Activity	Payroll	2020	2019	
<b>ASSETS:</b>								
Cash and Cash Equivalents	\$ 77,192	\$ 7,490	\$ 15,525	\$ 21,147	\$ 43,588	\$ 164,942	\$ 169,561	
Due from Agency	15,265					15,265	18,632	
Due from General	60,000					60,000	60,000	
<b>Total Assets</b>	<b>\$ 152,457</b>	<b>\$ 7,490</b>	<b>\$ 15,525</b>	<b>\$ 21,147</b>	<b>\$ 43,588</b>	<b>\$ 240,207</b>	<b>\$ 248,193</b>	
<b>LIABILITIES AND NET POSITION:</b>								
Liabilities:								
Due to Student Groups	\$	\$	\$	\$ 21,147	\$	\$ 21,147	\$ 19,006	
Payroll Deductions and Withholdings					1,895	1,895	8,446	
Due to General Fund					26,428	26,428	26,788	
Due to Unemployment Accounts Payable	4,006				15,265	15,265	18,632	
<b>Total Liabilities</b>	<b>4,006</b>	<b>\$</b>	<b>\$</b>	<b>\$ 21,147</b>	<b>\$ 43,588</b>	<b>68,741</b>	<b>72,872</b>	
<b>NET POSITION:</b>								
Held in Trust for Unemployment Claims and Other Purposes	<b>\$ 148,451</b>	<b>\$ 7,490</b>	<b>\$ 15,525</b>			<b>\$ 171,466</b>	<b>\$ 175,321</b>	

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Unemployment Compensation Trust</b>	<b>Flex Savings Account</b>	<b>Private Purpose Scholarship Fund</b>	<b>Total</b>
<b>ADDITIONS:</b>				
Contributions:				
Plan Members	\$ 5,601	\$	\$	\$ 5,601
Other		9,727		9,727
Donations			7,455	7,455
Board Contributions	7,106			7,106
<b>Total Contributions</b>	<b>12,707</b>	<b>9,727</b>	<b>7,455</b>	<b>29,889</b>
Investments and Earnings:				
Interest	179	6	28	213
Net Interest Earnings	179	6	28	213
<b>Total Additions</b>	<b>12,886</b>	<b>9,733</b>	<b>7,483</b>	<b>30,102</b>
<b>DEDUCTIONS:</b>				
Unemployment Claims	23,659			23,659
Medical Reimbursements		8,224		8,224
Scholarships Awarded			1,500	1,500
Other	179		395	574
<b>Total Deductions</b>	<b>23,838</b>	<b>8,224</b>	<b>1,895</b>	<b>33,957</b>
<b>Change in Net Position</b>	<b>(10,952)</b>	<b>1,509</b>	<b>5,588</b>	<b>(3,855)</b>
Net Position - July 1	159,403	5,981	9,937	175,321
<b>Net Position - June 30</b>	<b>\$ 148,451</b>	<b>\$ 7,490</b>	<b>\$ 15,525</b>	<b>\$ 171,466</b>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1,</u> <u>2019</u>	<u>Accounts</u> <u>Receivable</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30,</u> <u>2020</u>
MYRON L. POWELL	\$ 19,006	\$	\$ 11,257	\$ 9,116	\$	\$ 21,147

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2020</b>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 53,866	\$ 5,991,331	\$ 6,001,609	\$ 43,588
	<u>\$ 53,866</u>	<u>\$ 5,991,331</u>	<u>\$ 6,001,609</u>	<u>\$ 43,588</u>
<b>LIABILITIES:</b>				
Net Payroll	\$	\$ 3,377,397	\$ 3,377,397	\$
Payroll Deductions and Withholdings	8,446	2,620,629	2,627,180	1,895
Due to General Fund	26,788	19,523	19,883	26,428
Due to Unemployment	18,632		3,367	15,265
Total Liabilities	<u>\$ 53,866</u>	<u>\$ 6,017,549</u>	<u>\$ 6,027,827</u>	<u>\$ 43,588</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**June 30, 2020**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate Range	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
			Date	Amount					
School Refunding Bonds Series 2007	12/27/07	\$ 2,345,000	3/1/21	\$ 160,000	3%-4.16%	\$ 525,000	\$	\$ 160,000	\$ 365,000
			3/1/22	155,000					
			3/1/23	50,000					
Myron L Powell Elementary School Additions Series 2010	1/21/10	2,216,000	9/1/20	175,000	2.75% - 3.75%	1,116,000		165,000	951,000
			9/1/21	180,000					
			9/1/22	190,000					
			9/1/23	200,000					
			9/1/24	206,000					
						<u>\$ 1,641,000</u>	<u>\$</u>	<u>\$ 325,000</u>	<u>\$ 1,316,000</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 275,228	\$	\$ 275,228	\$ 275,228	\$
State Sources:					
Debt Service Aid Type II	101,550		101,550	101,550	
<b>Total Revenues</b>	<b>376,778</b>		<b>376,778</b>	<b>376,778</b>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Principal	325,000		325,000	325,000	
Interest on Bonds	51,779		51,779	51,779	
<b>Total Expenditures</b>	<b>376,779</b>		<b>376,779</b>	<b>376,779</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)		(1)	(1)	
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1)		(1)	(1)	
Fund Balance, July 1	2		2	2	
Fund Balance, June 30	\$ 1	\$	\$ 1	\$ 1	\$
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Undesignated Fund Balance	\$	\$	\$	\$	\$

**STATISTICAL SECTION**

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

	Fiscal Year Ending,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 3,473,378	\$ 4,295,003	\$ 4,594,871	\$ 5,077,440	\$ 5,139,584	\$ 5,232,199	\$ 5,263,369	\$ 5,980,113	\$ 6,107,505	\$ 4,866,225
Restricted	1,238,824	1,861,213	2,300,067	2,232,898	2,134,952	2,224,506	2,253,547	1,988,209	2,049,426	2,400,517
Unrestricted (Deficit)	570,278	(85,708)	238,453	(20,280)	(1,312,032)	(1,432,709)	(1,574,290)	(1,621,116)	(1,753,003)	(1,854,413)
<b>Total Governmental Activities Net Position</b>	<b>\$ 5,282,480</b>	<b>\$ 6,070,508</b>	<b>\$ 7,133,391</b>	<b>\$ 7,290,058</b>	<b>\$ 5,962,504</b>	<b>\$ 6,023,996</b>	<b>\$ 5,942,626</b>	<b>\$ 6,347,206</b>	<b>\$ 6,403,928</b>	<b>\$ 5,412,329</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 106,868	\$ 98,328	\$ 91,939	\$ 84,947	\$ 77,955	\$ 30,197	\$ 26,729	\$ 13,924	\$ 11,408	\$ 8,890
Unrestricted	41,267	17,476	31,057	66,670	33,078	41,722	48,999	72,483	87,933	199,526
<b>Total Business-Type Activities Net Position</b>	<b>\$ 148,135</b>	<b>\$ 115,804</b>	<b>\$ 122,996</b>	<b>\$ 151,617</b>	<b>\$ 111,033</b>	<b>\$ 71,919</b>	<b>\$ 75,728</b>	<b>\$ 86,407</b>	<b>\$ 99,341</b>	<b>\$ 208,416</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 3,580,246	\$ 4,393,331	\$ 4,686,810	\$ 5,162,387	\$ 5,217,539	\$ 5,262,396	\$ 5,290,098	\$ 5,994,037	\$ 6,118,913	\$ 4,875,115
Restricted	1,238,824	1,861,213	2,300,067	2,232,898	2,168,030	2,266,228	2,302,546	1,988,209	2,049,426	2,400,517
Unrestricted (Deficit)	611,545	(68,232)	269,510	46,390	(1,312,032)	(1,432,709)	(1,574,290)	(1,548,633)	(1,665,070)	(1,654,887)
<b>Total District-Wide Net Position</b>	<b>\$ 5,430,615</b>	<b>\$ 6,186,312</b>	<b>\$ 7,256,387</b>	<b>\$ 7,441,675</b>	<b>\$ 6,073,537</b>	<b>\$ 6,095,915</b>	<b>\$ 6,018,354</b>	<b>\$ 6,433,613</b>	<b>\$ 6,503,269</b>	<b>\$ 5,620,745</b>

Source: CAFR Schedule A-1

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

	Fiscal Year Ending,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 2,368,875	2,278,437	2,274,341	2,567,778	2,484,080	2,315,227	2,491,312	2,487,054	2,740,806	3,372,100
Special Education	932,148	848,676	770,426	700,584	661,458	706,546	801,951	907,819	1,161,356	676,394
Other Special Instruction	274,664	190,636	172,115	100,026	263,007	81,742	46,438	40,560	28,765	
Other	43,572	39,749	50,948	58,426	55,654	34,745	37,200	42,064	43,374	73,544
<b>Support Services</b>										
Tuition	1,741,322	2,065,829	2,049,782	2,181,410	2,387,209	2,546,448	2,205,357	1,613,747	1,424,796	1,552,565
Student and Instruction Related Services	368,331	439,958	476,349	555,285	556,559	627,560	721,161	847,459	936,545	853,433
General Administrative Services	386,351	383,046	362,142	366,823	372,146	376,135	397,545	386,730	384,868	160,563
School Administrative Services	174,041	194,948	209,091	190,402	197,367	189,938	213,150	184,113	183,665	198,874
<b>Central Services</b>										
Administrative Information Technology										197,621
Plant Operations and Maintenance	542,142	529,213	480,580	489,078	483,154	453,102	492,244	484,959	548,125	501,955
Pupil Transportation	684,342	728,121	724,617	683,056	652,393	644,708	646,848	723,359	894,508	769,872
Other Support Services	1,453,931	1,544,495	1,704,147	1,544,406	2,458,355	2,774,116	3,543,968	3,275,769	3,785,490	3,592,548
Transfer to Charter School								50,569	25,036	
Interest on long-term debt	176,148	105,788	128,567	119,107	109,215	99,053	88,489	77,320	67,050	87,808
Internal Service	65,633	89,353	120,244	69,115	72,748	75,939	170,747	123,952	159,879	498,202
Debt Service Assessment			25,954	40,020	40,020	40,020	40,020	40,020	40,020	
Amortization of Debt Issuance Cost	4,382	4,382	4,382							
<b>Total Governmental Activities Expenses</b>	<b>9,215,882</b>	<b>9,442,631</b>	<b>9,553,685</b>	<b>9,665,516</b>	<b>10,793,365</b>	<b>10,965,279</b>	<b>11,896,430</b>	<b>11,285,494</b>	<b>12,424,283</b>	<b>12,554,765</b>
<b>Business-Type Activities</b>										
Food Service	275,241	295,526	309,511	308,187	291,745	284,569	339,540	310,265	270,412	257,385
Child Care	55,591	48,075	28,347	28,077	34,802	36,451	33,418	32,506	57,203	37,089
<b>Total Business-Type Activities Expense</b>	<b>330,832</b>	<b>343,601</b>	<b>337,858</b>	<b>336,264</b>	<b>326,547</b>	<b>321,020</b>	<b>372,958</b>	<b>342,771</b>	<b>327,615</b>	<b>294,474</b>
<b>Total District Expenses</b>	<b>9,546,714</b>	<b>9,786,232</b>	<b>9,891,543</b>	<b>10,001,780</b>	<b>11,119,912</b>	<b>11,286,299</b>	<b>12,269,388</b>	<b>11,628,265</b>	<b>12,751,898</b>	<b>12,849,239</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Central and Other Support Services	103,350	141,800	204,400	106,000	106,000	106,000	181,000	184,000	184,000	
Operating Grants and Contributions	432,039	517,370	675,617	575,190	1,381,218	1,161,342	2,278,263	1,932,978	2,307,835	3,133,296
<b>Total Governmental Activities Program Revenues</b>	<b>535,389</b>	<b>659,170</b>	<b>880,017</b>	<b>681,190</b>	<b>1,487,218</b>	<b>1,267,342</b>	<b>2,459,263</b>	<b>2,116,978</b>	<b>2,491,835</b>	<b>3,133,296</b>
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Food Service	68,122	68,595	74,080	74,078	74,255	75,170	121,625	131,374	100,675	94,507
Child Care	41,741	38,591	43,149	47,302	47,095	65,647	40,495	46,283	45,635	17,742
Operating Grants and Contributions	192,414	204,084	227,393	243,324	221,855	198,932	196,732	185,870	193,961	237,136
<b>Total Business-Type Activities Program Revenues</b>	<b>302,277</b>	<b>311,270</b>	<b>344,622</b>	<b>364,704</b>	<b>343,205</b>	<b>339,749</b>	<b>358,852</b>	<b>363,527</b>	<b>340,271</b>	<b>349,385</b>
<b>Total District Program Revenues</b>	<b>837,666</b>	<b>970,440</b>	<b>1,224,639</b>	<b>1,045,894</b>	<b>1,830,423</b>	<b>1,607,091</b>	<b>2,818,115</b>	<b>2,480,505</b>	<b>2,832,106</b>	<b>3,482,681</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(8,680,493)	(8,783,461)	(8,673,668)	(8,984,326)	(9,306,147)	(9,697,937)	(9,437,167)	(9,168,516)	(9,932,448)	(9,421,469)
Business-Type Activities	(28,555)	(32,331)	6,764	28,440	16,658	18,729	(14,106)	20,756	12,656	54,911
<b>Total District-Wide Net Expense</b>	<b>(8,709,048)</b>	<b>(8,815,792)</b>	<b>(8,666,904)</b>	<b>(8,955,886)</b>	<b>(9,289,489)</b>	<b>(9,679,208)</b>	<b>(9,451,273)</b>	<b>(9,147,760)</b>	<b>(9,919,792)</b>	<b>(9,366,558)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities</b>										
Property Taxes Levied for General Purposes, Net	1,927,691	1,927,691	1,927,691	1,927,691	2,157,571	2,204,384	2,204,384	2,248,472	2,283,372	2,329,039
Taxes Levied for Debt Service	173,805	280,567	246,709	287,122	150,749	148,639	141,813	132,582	285,232	275,228
Grants and Contributions	9,090,962	7,286,639	7,288,360	6,925,625	6,930,461	7,417,991	7,005,734	7,170,235	7,342,221	6,909,359
Tuition Received	45,680	2,882	61,684	24,241	9,629	8,689				51,921
Transportation Fees Received										2,856
Investment Earnings	34,921	34,376	20,077	11,781	10,903	6,458	6,384	5,871	6,224	
Miscellaneous Income	50,613	39,336	196,430	10,991	19,812	11,720	15,231	19,728	63,536	64,078
Adjustment						(16,973)				
Adjustment to Fixed Assets		(2)	(4,400)		(51,923)	(21,479)		(3,791)	2,585	(1,325,381)
Prior Year Pension Adjustment										124,886
Transfers							(17,749)			(2,116)
<b>Total Governmental Activities</b>	<b>11,323,672</b>	<b>9,571,489</b>	<b>9,736,551</b>	<b>9,187,451</b>	<b>9,227,202</b>	<b>9,759,429</b>	<b>9,355,797</b>	<b>9,573,097</b>	<b>9,983,170</b>	<b>8,429,870</b>
<b>Business-Type Activities</b>										
Investment and Miscellaneous Earnings			2	181	225	221	166	209	278	96
Fixed Asset Adjustment						(58,994)		(10,286)		54,068
Transfers			426			930	17,749			-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>428</b>	<b>181</b>	<b>225</b>	<b>(57,843)</b>	<b>17,915</b>	<b>(10,077)</b>	<b>278</b>	<b>54,164</b>
<b>Total District-Wide</b>	<b>11,323,672</b>	<b>9,571,489</b>	<b>9,736,979</b>	<b>9,187,632</b>	<b>9,227,427</b>	<b>9,701,586</b>	<b>9,373,712</b>	<b>9,563,020</b>	<b>9,983,448</b>	<b>8,484,034</b>
<b>Change in Net Position</b>										
Governmental Activities	2,643,179	788,028	1,062,883	203,125	(78,945)	61,492	(81,370)	404,581	56,722	(991,599)
Business-Type Activities	(28,555)	(32,331)	7,192	28,621	16,883	(39,114)	3,809	10,679	12,934	109,075
<b>Total District-Wide</b>	<b>\$ 2,614,624</b>	<b>755,697</b>	<b>1,070,075</b>	<b>231,746</b>	<b>(62,062)</b>	<b>22,378</b>	<b>(77,561)</b>	<b>415,260</b>	<b>69,656</b>	<b>(882,524)</b>

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

	Fiscal Year Ending,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 1,441,424	\$ 1,663,958	\$ 2,040,321	\$ 1,792,170	\$ 1,760,849	\$ 1,976,821	\$ 2,150,863	\$ 1,988,208	\$ 2,032,337	\$ 1,479,863
Assigned:										
Unassigned	(228,156)	(257,396)	(264,550)	(281,638)	(282,616)	(318,729)	(303,398)	(299,654)	17,087	920,654
Total General Fund	\$ 1,213,268	\$ 1,406,562	\$ 1,775,771	\$ 1,510,532	\$ 1,478,233	\$ 1,658,092	\$ 1,847,465	\$ 1,688,554	\$ 1,719,332	\$ 2,064,499
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund	\$ (24,991)	\$ (31,470)	\$ (27,350)	\$ (39,684)	\$ (29,037)	\$ (32,909)	\$ (24,198)	\$ (28,069)	\$ (49,485)	\$ (69,234)
Capital Projects Fund	531,986	227,035	532,684	522,684	387,684	247,684	102,684			
Debt Service Fund	32,887	32,000		1	2	1		1	2	1
Total All Other Governmental Funds	\$ 539,882	\$ 227,565	\$ 505,334	\$ 483,001	\$ 358,649	\$ 214,776	\$ 78,486	\$ (28,068)	\$ (49,483)	\$ (69,233)

Source: CAFR Schedule B-1

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 2,101,496	\$ 2,208,258	\$ 2,174,400	\$ 2,214,813	\$ 2,308,320	\$ 2,353,023	\$ 2,346,197	\$ 2,381,054	\$ 2,568,604	\$ 2,604,267
Tuition Charges	45,680	2,882	61,684	24,241	9,629	8,689				51,921
Transportation Charges										2,856
Interest Earnings	34,921	34,376	20,077	11,781	10,903	6,458	6,384	5,871	6,224	6,510
Miscellaneous	50,613	39,336	196,430	10,991	19,812	11,720	15,231	19,728	63,536	57,568
State Sources	8,970,176	7,155,397	7,465,355	7,036,875	7,088,908	7,260,510	7,409,662	7,698,356	7,935,065	8,177,769
Federal Sources	552,825	648,612	498,622	463,940	476,626	440,801	454,900	451,399	577,471	603,024
<b>Total Revenues</b>	<b>11,755,711</b>	<b>10,088,861</b>	<b>10,416,568</b>	<b>9,762,641</b>	<b>9,914,198</b>	<b>10,081,201</b>	<b>10,232,374</b>	<b>10,556,408</b>	<b>11,150,900</b>	<b>11,503,915</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,306,653	2,179,652	2,137,101	2,419,526	2,355,927	2,186,829	2,329,641	2,359,678	2,603,028	3,177,150
Special Education Instruction	920,835	830,715	745,473	673,628	638,157	683,201	772,556	884,660	1,136,305	660,602
Other Special Instruction	274,664	190,636	172,115	100,026	263,007	81,742	46,438	40,560	28,765	
School sponsored/other instruction	43,572	39,749	50,948	58,426	55,654	34,745	37,200	42,064	43,374	73,544
<b>Support Services</b>										
Tuition	1,741,322	2,065,829	2,049,782	2,181,410	2,387,209	2,546,448	2,205,357	1,613,747	1,424,796	1,552,565
Student and Instruction Related Services	368,331	439,958	476,349	555,285	556,559	627,560	721,161	847,459	936,545	853,433
General Administration	196,891	179,522	153,655	155,361	155,746	154,966	162,664	176,586	159,631	160,563
School Administrative Services	159,334	171,599	176,652	149,716	167,076	159,590	174,937	154,006	151,099	178,344
Central Services	174,753	180,175	176,048	182,066	186,109	190,821	196,668	180,037	192,671	177,091
Administrative Information Technology										19,286
Plant Operations and Maintenance	531,960	513,048	458,124	464,819	462,183	432,091	465,789	464,115	525,580	487,743
Pupil Transportation	684,342	730,316	724,617	683,056	652,393	644,708	646,848	723,359	894,508	769,872
Employee Benefits	1,397,768	1,544,495	1,736,503	1,511,958	1,691,216	1,800,614	1,961,726	2,210,441	2,533,353	2,623,125
Charter Schools								50,569	25,036	
Capital Outlay	4,306,859	737,109	315,623	507,573	97,094	77,389	56,287	678,298	96,484	66,285
<b>Debt Service:</b>										
Principal	140,000	265,000	265,000	285,000	290,000	305,000	310,000	315,000	320,000	325,000
Interest and Other Charges	154,774	140,081	131,600	122,363	112,519	102,538	92,019	81,294	70,363	51,779
<b>Total Expenditures</b>	<b>13,402,058</b>	<b>10,207,884</b>	<b>9,769,590</b>	<b>10,050,213</b>	<b>10,070,849</b>	<b>10,028,242</b>	<b>10,179,291</b>	<b>10,821,873</b>	<b>11,141,538</b>	<b>11,176,382</b>
<b>Excess (Deficiency) of Revenues</b>										
<b>Over (Under) Expenditures</b>	<b>(1,646,347)</b>	<b>(119,023)</b>	<b>646,978</b>	<b>(287,572)</b>	<b>(156,651)</b>	<b>52,959</b>	<b>53,083</b>	<b>(265,465)</b>	<b>9,362</b>	<b>327,533</b>
<b>Other Financing Sources (Uses)</b>										
Transfers Out		(6,659)	(9,000)	(3,058)	(1,000)	(7,265)	(11,000)	(19,678)		(2,116)
Proceeds from Capital Lease				88,613						
<b>Total Other Financing Sources (Uses)</b>		<b>(6,659)</b>	<b>(9,000)</b>	<b>85,555</b>	<b>(1,000)</b>	<b>(7,265)</b>	<b>(11,000)</b>	<b>(19,678)</b>	<b>9,362</b>	<b>(2,116)</b>
<b>Net Change in Fund Balances</b>	<b>\$(1,646,347)</b>	<b>\$ (125,682)</b>	<b>\$ 637,978</b>	<b>\$ (202,017)</b>	<b>\$ (157,651)</b>	<b>\$ 45,694</b>	<b>\$ 42,083</b>	<b>\$ (285,143)</b>	<b>\$ 9,362</b>	<b>\$ 325,417</b>
<b>Debt Service as a Percentage of</b>										
<b>Noncapital Expenditures</b>	<b>3.24%</b>	<b>4.28%</b>	<b>4.20%</b>	<b>4.27%</b>	<b>4.04%</b>	<b>4.10%</b>	<b>3.97%</b>	<b>3.91%</b>	<b>3.53%</b>	<b>3.49%</b>

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transport-</u> <u>ation</u>	<u>Prior</u> <u>Year</u> <u>Revenue</u>	<u>Settlement</u>	<u>ERATE</u>	<u>Township</u>	<u>Misc.</u>	<u>Total</u>
2020	\$ 6,510	\$ 51,921	\$ 2,856	\$	\$	\$ 13,856	\$	\$ 39,881	\$ 115,024
2019	6,224					18,055	8,846	36,597	69,722
2018	5,871			1,581		6,768		8,869	23,089
2017	6,384					8,089		7,142	21,615
2016	6,458	8,689				9,454			24,601
2015	10,903	9,629				9,908		6,530	36,970
2014	11,781	24,241				9,426			45,448
2013	20,077	64,143			162,500	10,100		19,843	276,663
2012	34,376	2,882				21,533		7,842	66,633
2011	2,921	45,680		4,035		17,616	6,000	1,890	78,142

Source: District Records



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

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm Reg.</b>	<b>Qfarm</b>	<b>Commercial</b>	<b>Total Assessed Value</b>	<b>Public Utilities <sup>a</sup></b>	<b>Net Valuation Taxable</b>	<b>Total Direct School Tax Rate <sup>b</sup></b>	<b>Estimated Actual County Equalized Value</b>
2020	\$ 11,231,800	\$ 186,446,100	\$ 17,278,100	\$ 2,293,400	\$ 12,991,000	\$ 230,240,400	\$ 1,005,378	\$ 231,245,778	\$ 1.139	\$ 224,559,056
2019	11,566,000	187,426,700	17,150,200	2,245,700	12,991,000	231,379,600	985,985	232,365,585	1.114	226,753,822
2018	12,005,100	188,247,300	17,336,100	2,226,300	12,337,400	232,152,200	984,675	233,136,875	1.062	224,453,447
2017	12,085,200	188,999,800	17,202,800	2,225,800	12,230,500	232,744,100	985,037	233,729,137	1.012	216,586,730
2016	12,775,900	191,528,000	17,523,600	2,211,900	11,466,100	235,505,500	979,731	236,485,231	0.994	208,615,023
2015	13,641,000	192,650,700	18,252,600	2,218,000	11,940,400	238,702,700	1,014,932	239,717,632	0.973	211,073,216
2014	13,844,900	193,201,100	19,376,700	2,359,700	10,429,400	239,211,800	985,757	240,197,557	0.942	216,559,660
2013						240,919,500	1,186,683	242,106,183	0.907	
2012						243,350,000	1,394,305	244,744,305	0.896	
2011						242,633,300	1,376,960	244,010,260	0.884	

Source: District records Tax list summary & Municipal Tax Assessor

**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 ordered by the County Board of Taxation

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

b Tax rates are per \$100

R Revaluation

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

Year Ended June 30,	Stow Creek Township and Regional Boards of Education			Overlapping Rates		
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total District	Lawrence Township	Cumberland County	Total
2020	\$ 0.995	\$ 0.144	\$ 1.139	\$ 0.531	\$ 1.215	\$ 2.885
2019	0.967	0.147	1.114	0.521	1.180	2.815
2018	0.945	0.117	1.062	0.489	1.145	2.696
2017	0.898	0.114	1.012	0.467	1.084	2.563
2016	0.882	0.112	0.994	0.453	1.001	2.448
2015	0.863	0.110	0.973	0.411	0.986	2.370
2014	0.836	0.103	0.942	0.382	0.948	2.272
2013	0.804	0.114	0.907	0.366	0.940	2.213
2012	0.782	0.073	0.896	0.344	0.938	2.178
2011	0.811	0.022	0.884	0.324	0.941	2.149

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy .  
The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

**b** Rates for debt service are based on each year's requirements.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
SF System	\$ 3,892,700	1.68%	\$ 3,319,300	2.77%
Ag-Mart	3,512,600	1.52%	5,461,600	4.56%
Bell Atlantic	984,675	0.43%	1,576,161	1.32%
Taxpayer #1	954,600	0.41%	618,500	0.52%
Taxpayer #2	653,500	0.28%		
Nardelli Bros	648,500	0.28%		
Taxpayer #3	617,200	0.27%		
E Pugliai & Sons LLC	612,100	0.26%		
Cedarville Cooperative	557,800	0.24%		
Taxpayer #5			700,000	0.59%
Total	\$ 12,433,675	5.38%	\$ 11,675,561	9.76%

Source: District CAFR & Municipal Tax Assessor

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2020	\$ 2,604,267	\$ 2,604,267	100%	\$
2019	2,568,604	2,568,604	100%	
2018	2,381,054	2,381,054	100%	
2017	2,346,197	2,346,197	100%	
2016	2,353,023	2,353,023	100%	
2015	2,308,320	2,308,320	100%	
2014	2,214,813	2,214,813	100%	
2013	2,174,400	2,174,400	100%	
2012	2,208,258	2,208,258	100%	
2011	2,101,496	2,101,496	100%	

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

**Note:** 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, the amount voted upon or certified prior to the end of the school year.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of	
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
2020	\$ 1,316,000	\$	\$	\$	\$ 1,316,000	1.07%	\$ 432
2019	1,641,000				1,641,000	1.33%	530
2018	1,961,000				1,961,000	1.58%	616
2017	2,276,000				2,276,000	1.90%	711
2016	2,586,000				2,586,000	2.21%	801
2015	2,891,000				2,891,000	2.49%	883
2014	3,181,000				3,181,000	2.69%	965
2013	3,466,000				3,466,000	2.96%	1,048
2012	3,731,000				3,731,000	3.19%	1,129
2011	3,996,000				3,996,000	3.53%	1,214

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2020	\$ 1,316,000	\$	\$ 1,316,000	\$ 0.59%	432
2019	1,641,000		1,641,000	0.72%	515
2018	1,961,000		1,961,000	0.84%	613
2017	2,276,000		2,276,000	0.97%	705
2016	2,586,000		2,586,000	1.09%	790
2015	2,891,000		2,891,000	1.21%	877
2014	3,181,000		3,181,000	1.32%	962
2013	3,466,000		3,466,000	1.43%	1,049
2012	3,731,000		3,731,000	1.52%	1,134
2011	3,996,000		3,996,000	1.64%	1,336

**Note:** This statement is not applicable the district does not have any debt in any of the years reported herein.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2019**  
*(UNAUDITED)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Township of Lawrence	\$ 1,509,397	100%	\$ 1,509,397
<b>Other debt</b>			
County of County - Township's share	98,195,796	2.608%	2,560,594
Subtotal, Overlapping Debt			<u>4,069,991</u>
<b>Lawrence Township School District Direct Debt</b>			<u>1,316,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 5,385,991</u></u>

**Sources:** Lawrence Township Finance Officer and Cumberland County Finance Office

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

**Legal Debt Margin Calculation for Fiscal Year 2019**

	Equalized Valuation Basis	
	2017	\$ 225,025,718
	2018	227,510,976
	2019	225,670,145
		<u>                    </u>
	<b>[A]</b>	<b>\$ 678,206,839</b>
Average Equalized Valuation of Taxable Property	<b>[A/3]</b>	<b>\$ 226,068,946</b>
Debt Limit (3% of Average Equalization Value)	<b>[B]</b>	6,782,068 <sup>a</sup>
Net Bonded School Debt	<b>[C]</b>	<u>1,316,000</u>
Legal Debt Margin	<b>[B-C]</b>	<u><u>\$ 5,466,068</u></u>

**Fiscal Year Ending,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 6,956,633	\$ 7,095,134	\$ 7,111,141	\$ 6,910,235	\$ 6,651,366	\$ 6,410,762	\$ 6,424,270	\$ 6,556,293	\$ 6,716,931	\$ 6,782,068
Total Net Debt Applicable to Limit	<u>3,996,000</u>	<u>3,731,000</u>	<u>3,466,000</u>	<u>3,181,000</u>	<u>2,891,000</u>	<u>2,586,000</u>	<u>2,276,000</u>	<u>1,961,000</u>	<u>1,641,000</u>	<u>1,316,000</u>
Legal Debt Margin	<u><u>\$ 2,960,633</u></u>	<u><u>\$ 3,364,134</u></u>	<u><u>\$ 3,645,141</u></u>	<u><u>\$ 3,729,235</u></u>	<u><u>\$ 3,760,366</u></u>	<u><u>\$ 3,824,762</u></u>	<u><u>\$ 4,148,270</u></u>	<u><u>\$ 4,595,293</u></u>	<u><u>\$ 5,075,931</u></u>	<u><u>\$ 5,466,068</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	57.44%	52.59%	48.74%	46.03%	43.46%	40.34%	35.43%	29.91%	24.43%	19.40%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Year</u>	<u>Population <sup>(1)</sup></u>	<u>Personal Income (thousands of dollars) <sup>(2)</sup></u>	<u>Per Capita Personal Income <sup>(3)</sup></u>	<u>Unemployment Rate <sup>(4)</sup></u>
2020 *	3,045	\$ 122,913,377	\$ 40,370	5.10%
2019	3,060	123,407,624	40,329	6.00%
2018	3,088	124,412,432	40,289	7.30%
2017	3,152	121,761,760	38,630	8.50%
2016	3,181	119,335,215	37,515	9.20%
2015	3,204	118,198,764	36,891	10.60%
2014	3,224	114,406,864	35,486	12.20%
2013	3,253	112,078,862	34,454	13.50%
2012	3,270	111,768,600	34,180	15.90%
2011	3,280	112,579,440	34,323	14.20%

\* Estimate

**Source:**

<sup>1</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>2</sup> Personal income

<sup>3</sup> Per Capita

<sup>4</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

<u>Employer*</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees*</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,715	1.83%	N/A	N/A
Durand Glass Manufacturing Co.	1,100	1.43%	N/A	N/A
Shop-Rite	858	1.32%	N/A	N/A
Wal-Mart	794	1.22%	N/A	N/A
F&S Produce/Pipco Transportation	731	1.16%	N/A	N/A
Agro Merchants Group	700	1.08%	N/A	N/A
Sheppard Bus Service	650	1.02%	N/A	N/A
Elwyn New Jersey	615	0.89%	N/A	N/A
Omni Baking	532	0.87%	N/A	N/A
Seabrook Brothers & Sons	525	0.00%	N/A	N/A
	<u>10,220</u>	<u>10.82%</u>	<u>N/A</u>	<u>N/A</u>

\*Cumberland County

Source: Cumberland County

N/A 2010 Information not available at time of audit.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Function/Program</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>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	39.5	37.0	38.0	40.0	39.5	38.0	41.0	42.0	39.0	39.0
Special Education	15.7	10.0	8.0	7.0	8.0	7.0	7.0	4.0	5.0	6.0
Other special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student & Instruction Related Services	1.0	1.0	2.0	2.0	4.0	3.0	8.0	11.0	22.0	26.0
General Administrative Services	2.1	1.5	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
School Administrative Services	3.0	3.5	3.0	4.0	4.0	4.0	4.7	4.0	5.0	5.0
Other Administrative Services										
Central Services	2.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0	4.0
Administrative Information Technology										
Plant Operations and Maintenance	4.0	5.7	5.7	5.7	5.7	5.2	5.2	4.0	4.0	3.0
Pupil Transportation										
Other Support Services										
Contracted Service - Speech										
Special Schools										
Food Service - Contracted										
Totals	<u>67.3</u>	<u>60.7</u>	<u>60.7</u>	<u>61.7</u>	<u>64.2</u>	<u>60.2</u>	<u>69.9</u>	<u>68.0</u>	<u>78.0</u>	<u>84.0</u>

Source: District Personnel Records

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	436	8,500,749	19,497	3.53%	55.0	8 to 1	434.0	416.0	-2.28%	95.85%
2012	466	9,065,694	19,454	-0.22%	55.0	9 to 1	470.4	445.8	8.39%	94.77%
2013	504	9,057,367	17,971	-7.62%	47.0	10 to 1	501.0	470.0	6.51%	93.81%
2014	510	9,135,277	17,912	-0.33%	46.0	9 to 1	508.0	483.0	1.40%	95.08%
2015	499	9,571,236	19,181	7.08%	47.0	10 to 1	496.0	471.0	-2.36%	94.96%
2016	486	9,543,315	19,636	2.38%	47.0	9 to 1	482.0	457.0	-2.82%	94.81%
2017	472	9,720,985	20,595	4.88%	45.0	8 to 1	476.0	445.0	-1.24%	93.49%
2018	465	9,747,281	20,962	1.78%	48.0	10 to 1	469.0	442.0	-1.47%	94.24%
2019	460	10,654,691	23,162	10.50%	46.0	10 to 1	498.0	459.0	6.18%	92.17%
2020	506	11,110,097	21,957	-5.21%	45.0	11 to 1	506.0	495.4	1.61%	97.91%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
M.L. Powell Elementary (1885)	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149
Square Feet	628	628	628	628	628	628	628	628	628	628
Capacity (Students)	436	466	504	510	499	486	472	465	460	506
Enrollment										

Number of Schools at June 30, 2020

- Elementary = 1
- Middle School = 0
- Senior High School = 0
- Other = 0

**Source:** District records, ASSA

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES FOR SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

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

<u>School Facilities</u>	<u>Project #</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Myron Powell School		\$ 87,941	\$ 96,937	\$ 71,172	\$ 75,224	\$ 46,407	\$ 44,856	\$ 21,890	\$ 85,866	\$ 72,874	\$ 71,021
Total School Facilities		<u>87,941</u>	<u>96,937</u>	<u>71,172</u>	<u>75,224</u>	<u>46,407</u>	<u>44,856</u>	<u>21,890</u>	<u>85,866</u>	<u>72,874</u>	<u>71,021</u>
Other Facilities											
Grand Total		<u>\$ 87,941</u>	<u>\$ 96,937</u>	<u>\$ 71,172</u>	<u>\$ 75,224</u>	<u>\$ 46,407</u>	<u>\$ 44,856</u>	<u>\$ 21,890</u>	<u>\$ 85,866</u>	<u>\$ 72,874</u>	<u>\$ 71,021</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(UNAUDITED)**

Company	Type of Coverage	Coverage	Deductible
Utica National	Commercial Package Policy		
	Property		
	Blanket Building & Contents	\$ 12,836,136	\$ 1,000
	Utility Services - Time Element	500,000	1,000
	General Liability	3,000,000	
	Flood	1,000,000	25,000
	Earthquake - Volcanic Eruption	1,000,000	1,000
	Employee Benefits	1,000,000	1,000
	Governmental Crime	100,000	500
	Abuse or Molestation Liability	1,000,000	
	Employee Related Practices Liability	1,000,000	5,000
	Inland Marine		
	Computer	177,550	500
	Miscellaneous Property	500,000	500
	Valuable Papers & Records	100,000	500
	Signs	30,000	
	Commercial Auto Coverage	1,000,000	100
Board of Education Liability	3,000,000	7,500	
Governmental Crimes-Computer Funds Transfer	100,000	500	
NJSBIA	Workers' Compensation and Employers Liability	3,000,000	
Berkley Life & Health Ins	Basic Student Accident Liability	1,000,000	
US Fire Ins. Company	Catastrophic Student Accident	2,500,000	25,000
Ohio Casualty Ins. Co	Surety Bonds		
	Board Secretary/Business Administrator	189,000	

**SINGLE AUDIT SECTION**



# **NIGHTLINGER, COLAVITA & VOLPA**

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

### **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Lawrence Township School District  
County of Cumberland, 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 Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education of the Lawrence Township School District's basic financial statements, and have issued our report thereon dated December 22, 2020.

#### **Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a 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. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be material, labeled 2020-1.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 one instance of noncompliance, or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and are described in the accompanying schedule of findings and questioned costs as items labeled Finding 2020-2.

### **Lawrence Township Board of Education's Response to Findings**

Lawrence Township Board of Education's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Lawrence Township Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

This report is intended solely for the information and use of management, the Lawrence Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
December 22, 2020

# **NIGHTLINGER, COLAVITA & VOLPA**

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## **REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

### **INDEPENDENT AUDITOR'S REPORT**

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

#### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Lawrence Township School District's major federal and state programs for the fiscal year ended June 30, 2020. The Lawrence Township Board of Education'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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Lawrence Township Board of Education'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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the *Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB 15-08*. Those standards, *Uniform Guidance and New Jersey OMB 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 Lawrence Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## **Opinion on Each Major Federal and State Program**

In our opinion, the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

## **Report on Internal Control Over Compliance**

Management of the Lawrence Township School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lawrence Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 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 Lawrence Township School District Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be material, labeled 2020-1.

*A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did identify one deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs and reported to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated December 22, 2020, that we consider to be a material weakness, labeled 2020-1.

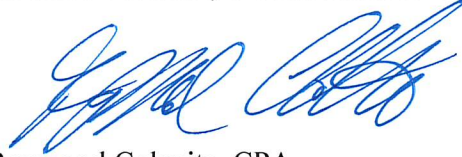
Lawrence Township Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Lawrence Township Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

This report is intended solely for the information and use of management, the Lawrence Township Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
December 22, 2020

**TOWNSHIP OF LAWRENCE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019		Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjust- ment	Balance at June 30, 2020		
					From	To	Accounts Receivable	Unearned Revenue						Accounts Receivable	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education:</b>																
Special Revenue Fund:																
E.S.E.A.																
Title I, Part A	84.010	S010A190030	ESEA 2570-20	\$ 243,582	7/1/19	9/30/20	\$	\$	111,844	\$ (243,582)	\$	\$ (243,582)	\$	\$ (131,738)	\$	
Title I, Part A	84.010	S010A180030	ESEA 2570-19	232,411	7/1/18	6/30/19	(143,194)		143,194							
Title II, Part A	84.367A	S367A190029	ESEA 2570-20	35,219	7/1/19	9/30/20			17,182	(35,219)		(35,219)		(18,037)		
Title II, Part A	84.367A	S010A180029	ESEA 2570-19	36,326	7/1/18	6/30/19	(22,576)		22,576							
Title IV	84.424	S424A190031	ESEA 2570-20	13,796	7/1/19	9/30/20			6,185	(13,796)		(13,796)		(7,611)		
Title IV	84.424	S424A180031	ESEA 2570-19	10,000	7/1/18	6/30/19	(4,245)		4,245							
IDEA Cluster:																
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	ESEA 2570-20	161,764	7/1/19	9/30/20			112,074	(161,764)		(161,764)		(49,690)		
I.D.E.A. Part B, Pre-School	84.173	H173A190114	ESEA 2570-20	4,580	7/1/19	9/30/20			4,580	(4,580)		(4,580)				
REAP	84.358A	S358A182736	S358A182736	7,270	7/1/19	9/30/20			7,270	(7,270)		(7,270)				
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES2570-20	188,702	3/13/20	9/30/22				(129,343)		(129,343)		(129,343)		
Total Special Revenue Fund							(170,015)		429,150	(595,554)		(595,554)		(336,419)		
<b>U.S. Department of Agriculture</b>																
<b>Passed-through State Department of Education:</b>																
Enterprise Fund:																
Non-Cash Assistance:																
Food Distribution Program	10.565	Unknown	NA	9,921	7/1/19	6/30/20			9,921	(7,806)		(7,806)			2,115	
Food Distribution Program	10.565	Unknown	NA	16,675	7/1/18	6/30/19		5,922		(5,922)		(5,922)				
Cash Assistance:																
Child Nutrition Cluster:																
National School Breakfast Program	10.553	201NJ304N1099	NA	74,680	7/1/19	6/30/20			65,068	(74,680)		(74,680)		(9,612)		
National School Breakfast Program	10.553	191NJ304N1099	NA	44,802	7/1/18	6/30/19	(2,992)		2,992							
National School Lunch Program	10.555	201NJ304N1099	NA	145,350	7/1/19	6/30/20			130,058	(145,350)		(145,350)		(15,292)		
National School Lunch Program	10.555	191NJ304N1099	NA	119,052	7/1/18	6/30/19	(7,725)		7,725							
National After School Snack	10.555	191NJ304N1099	NA	10,840	7/1/18	6/30/19	(641)		641							
Total Enterprise Fund							(11,358)	5,922	216,405	(233,758)		(233,758)		(24,904)	2,115	
Total Federal Financial Awards							\$ (181,373)	\$ 5,922	\$ 645,555	\$ (829,312)	\$	\$ (829,312)	\$	\$ (361,323)	\$ 2,115	

(A) There were no awards passed through to sub-recipients.

See accompanying notes to schedules of financial assistance  
These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**TOWNSHIP OF LAWRENCE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2019			Carry-Over	Cash Received	Budgetary Expenditures	Repaymt. of Prior Year Balances	Adjustment	Balances at June 30, 2020			MEMO	
					(Accounts Receivable)/	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>																	
General Fund:																	
Equalization Aid	20-495-034-5120-078	\$ 5,213,334	7/1/19	6/30/20	\$	\$	\$	\$ 4,711,385	\$ (5,213,334)	\$	\$	\$ (501,949)	\$	*	\$ (501,949)	\$ (5,213,334)	
School Choice Aid	20-495-034-5120-088	471,240	7/1/19	6/30/20				425,868	(471,240)			(45,372)		*	(45,372)	(471,240)	
Transportation Aid	20-495-034-5120-014	87,111	7/1/19	6/30/20				78,724	(87,111)			(8,387)		*	(8,387)	(87,111)	
Special Education Categorical Aid	20-495-034-5120-089	372,413	7/1/19	6/30/20				336,556	(372,413)			(35,857)		*	(35,857)	(372,413)	
Security Aid	20-495-034-5120-084	160,344	7/1/19	6/30/20				144,906	(160,344)			(15,438)		*	(15,438)	(160,344)	
Extrodinary Aid	20-495-034-5120-044	20,985	7/1/19	6/30/20					(20,985)			(20,985)		*		(20,985)	
Extrodinary Aid	19-495-034-5120-044	15,183	7/1/18	6/30/19	(15,183)			15,183									
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	285,522	7/1/19	6/30/20				283,971	(285,522)			(1,551)		*		(285,522)	
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	12,391	7/1/18	6/30/19	(12,391)			12,391									
Additional Non Public School Trans Costs	19-495-034-5120-014	4,060	7/1/18	6/30/19	(4,060)			4,060									
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	660,853	7/1/19	6/30/20				660,853	(660,853)					*		(660,853)	
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	245,164	7/1/19	6/30/20				245,164	(245,164)					*		(245,164)	
On-Behalf TPAF Long-Term Disability Medical	20-495-034-5094-004	525	7/1/19	6/30/20				525	(525)					*		(525)	
<b>Total General Fund</b>					<b>(31,634)</b>			<b>6,919,586</b>	<b>(7,517,491)</b>			<b>(629,539)</b>			<b>(607,003)</b>	<b>(7,517,491)</b>	
Special Revenue Fund:																	
Preschool Education Aid	20-495-034-5120-086	692,340	7/1/19	6/30/20				6,828	(699,168)			(69,234)		*	(69,234)	(699,168)	
Preschool Education Aid	19-495-034-5120-086	494,840	7/1/18	6/30/19	(49,484)	6,828		(6,828)	49,484								
<b>Total Special Revenue Fund</b>					<b>(49,484)</b>	<b>6,828</b>		<b>672,590</b>	<b>(699,168)</b>			<b>(69,234)</b>			<b>(69,234)</b>	<b>(699,168)</b>	
Debt Service Fund																	
Debt Service Aid Type II:	20-495-034-5120-017	101,550	7/1/19	6/30/20				101,550	(101,550)					*		(101,550)	
<b>Total Debt Service Fund</b>								<b>101,550</b>	<b>(101,550)</b>							<b>(101,550)</b>	
<b>State Department of Agriculture:</b>																	
Enterprise Fund:																	
National School Lunch Program (State Shar	20-100-010-3350-023	3,378	7/1/19	6/30/20				2,482	(3,378)			(896)		*		(3,378)	
National School Lunch Program (State Shar	19-100-010-3350-023	2,572	7/1/18	6/30/19	(170)			170									
<b>Total Enterprise Fund</b>					<b>(170)</b>			<b>2,652</b>	<b>(3,378)</b>			<b>(896)</b>				<b>(3,378)</b>	
					<b>\$ (81,288)</b>	<b>\$ 6,828</b>	<b>\$</b>	<b>\$ 7,696,378</b>	<b>\$ (8,321,587)</b>	<b>\$</b>	<b>\$</b>	<b>\$ (699,669)</b>	<b>\$</b>	<b>\$</b>	<b>\$ (676,237)</b>	<b>\$ (8,321,587)</b>	
Less: On-Behalf TPAF Pension System Contributions																	
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	660,853	7/1/19	6/30/20				\$ 660,853	\$ (660,853)								
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	245,164	7/1/19	6/30/20				245,164	(245,164)								
On-Behalf TPAF Long-Term Disability Medical	20-495-034-5094-004	525	7/1/19	6/30/20				525	(525)								
<b>Total State Financial Assistance - Major Program Determination</b>								<b>\$ 6,789,836</b>	<b>\$ (7,415,045)</b>								

See accompanying notes to schedules of financial assistance

**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2020**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A., 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments 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 special revenue fund, where applicable, also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(7,668) for the general fund and \$(132,772) for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:



**LAWRENCE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**

**JUNE 30, 2020**  
**(Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 7,470	\$ 7,509,823	\$ 7,517,293
Special Revenue Fund	595,554	566,396	1,161,950
Food Service Fund	<u>233,758</u>	<u>3,378</u>	<u>237,136</u>
Total Financial Assistance	<u>\$ 836,782</u>	<u>\$ 8,079,597</u>	<u>\$ 8,916,379</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: FEDERAL AND STATE LOANS OUTSTANDING**

The Lawrence School District had no federal or state loan balances outstanding at June 30, 2020.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, if any, represents the amount paid by the state on behalf of the district for the year ended June 30, 2020. 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, 2020.

**NOTE 7: MAJOR PROGRAM**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**NOTE 8: SCHOOL-WIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

**NOTE 9: ADJUSTMENT**

There were no adjustments on Schedule A, Exhibit K-3 or on Schedule B, Exhibit K-4.

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified?  X  yes   no

2) Significant deficiencies identified?   yes  X  no

Noncompliance material to basic financial statements noted?  X  yes   no

Federal Awards

Internal control over major programs:

1) Material weakness (es) identified?   yes  X  no

2) Significant deficiencies identified?   Yes  X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a)?   yes  X  no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.010	S010A190030	Title I Part A
84.027, 84.173	H027A190100	Special Education Cluster (IDEA)
	H173A190114	

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

Auditee qualified as low-risk auditee?   yes  X  no

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

Internal control over major programs:

1) Material weakness (es) identified?  X  yes \_\_\_\_\_ no

2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  no

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Treasury Circular Letter 15-08  X  yes \_\_\_\_\_ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
20-495-034-5120-078	Equalization Aid
20-495-034-5120-089	Special Education Categorical Aid
20-495-034-5120-084	Security Aid
20-495-034-5120-068	School Choice Aid

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding: 2020-1 (AMR Finding 2020-1)**

**Criteria or specific requirement:** The District is required to review all open orders at year-end, in order to determine the proper classification of orders as Reserve for Encumbrances or Accounts Payable.

**Condition:** The District's accounting system did not provide a year-end closeout report, listing open orders broken out by encumbrances or accounts payable, without extending an analysis to the subsequent year's orders rolled over.

**Context:** The District's accounting system does not provide the year-end report necessary to provide the open order information.

**Effect:** It was necessary to further analyze open orders utilizing the subsequent year's File.

**Cause:** An additional byproduct report has not as yet been acquired from the software provider.

**Recommendation:** The District should pursue the processing of an additional report of open orders, as part of the year-end closeout process, in order to provide the necessary breakout between encumbrances and accounts payable.

**Views of responsible officials and planned corrective actions:** Officials are in agreement with the finding.

LAWRENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)

Section II - Financial Statement Findings (Continued)

**Finding: 2020-2 (AMR Finding 2020-2)**

**Criteria or specific requirement:** The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

**Condition:** Net cash resources in the Food Service Fund exceeded three months average expenditures.

**Context:** Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$109,677, as of June 30, 2020.

**Effect:** Violation of New Jersey Department of Agriculture requirements.

**Cause:** Actual expenditures were less than anticipated.

**Recommendation:** The Board should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

**Management's response:** Management is aware of the necessary procedures to be updated and followed.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)**

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS**                      N/A

**STATE AWARDS**

**Finding: 2020-1 (AMR Finding 2020-1)**

**Information on the state program:**

20-495-034-5120-078	Equalization Aid
20-495-034-5120-089	Special Education Categorical Aid
20-495-034-5120-084	Security Aid
20-495-034-5120-068	School Choice Aid

**Criteria or specific requirement:** The District is required to review all open orders at year-end, in order to determine the proper classification of orders as Reserve for Encumbrances or Accounts Payable.

**Condition:** The District's accounting system did not provide a year-end closeout report, listing open orders broken out by encumbrances or accounts payable, without extending an analysis to the subsequent year's orders rolled over.

**Questioned Costs:** None

**Context:** The District's accounting system does not provide the year-end report necessary to provide the open order information.

**Effect:** It was necessary to further analyze open orders utilizing the subsequent year's File.

**Cause:** An additional byproduct report has not as yet been acquired from the software provider.

**Recommendation:** The District should pursue the processing of an additional report of open orders, as part of the year-end closeout process, in order to provide the necessary breakout between encumbrances and accounts payable.

**Views of responsible officials and planned corrective actions:** Officials are in agreement with the finding.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

**STATUS OF PRIOR - YEAR FINDINGS**

**Finding: 2019-1**

**Condition:** Board Secretary Reports and Board Treasurer Reports were prepared until May of 2019 (tenth month of the fiscal year.).

**Current Status:** Resolved.

**Finding: 2019-2**

**Condition:** There was no adjusting entry report available for review.

**Current Status:** Resolved.