

SCHOOL DISTRICT

OF

LAWRENCE TOWNSHIP

LAWRENCE TOWNSHIP BOARD OF EDUCATION
LAWRENCE TOWNSHIP, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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FINANCIAL REPORT**

OF THE

LAWRENCE TOWNSHIP BOARD OF EDUCATION

LAWRENCE TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY

**LAWRENCE TOWNSHIP BOARD OF EDUCATION
FINANCE DEPARTMENT**

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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LAWRENCE TOWNSHIP PUBLIC SCHOOLS

Business Office
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Tom Eldridge
Business Administrator
Board Secretary

Transmittal Letter

January 22, 2021

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

Dear Board Members and members of the public:

Please accept this submission of the Comprehensive Annual Financial Report (CAFR) for the school year ending June 30, 2020. This report is meant to be reviewed within the context of the district's mission and statutory charge. The CAFR is the financial document that is the official financial conclusion to the district's education plan for the audit year. As such this document must be read in the context of the district's educational goals as stated and impacted by varying environmental conditions.

Of special note to the reader is that this audit was conducted during the year of the COVID-19 world-wide pandemic. The school district halted in-person instruction in mid-March and continued remote instruction through the end of the school year. This is notable as it impacts finances in the areas where in-person resources are consumed such as substitutes, energy, transportation, cafeteria, and social security costs.

Introduction

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

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The Financial section includes the general-purpose financial statements and schedules, The Management Discussion and Analysis (MD&A), and the auditor's report. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

It is our hope that you will find the enclosed information helpful. While presented in four sections, this document is intended to be read as a whole. A narrative on the status of the major funds within the school district's budget is included within the Management Discussion and Analysis section of this report.

District Profile

The Board of Education is responsible for educating students located within the boundaries of Lawrence Township. Lawrence Township is located in Mercer County, New Jersey. The municipality has a population of approximately 28,000 persons. On average the school district serves a diverse population of approximately 3,800 students between the ages of 3 and 21.

Governance of the Lawrence Township Public Schools is the responsibility of The Lawrence Township Board of Education. The Board of Education is comprised of nine members who are generally elected to three-year terms. The nine-member board is statutorily charged with making prescribed decisions and ratifying recommendations of the superintendent. Boards of education derive their authority from the State of New Jersey. Within the boundary of the Township of Lawrence, The Board of Education is a co-equal government with the municipality and county.

The budget process used to manage resources is a modified zero-based budgeting approach. The contents of the budget are guided by the district's strategic plan, state requirements, and federal requirements. Each section of the budget was developed by the district leadership ranging from supervisors to the superintendent. All aspects were guided by input from students, staff, the board of education and the general public. The Lawrence Township Board of Education adopts budgets on an annual basis in accordance with state law.

The programs supported by the district's budget range from those prescribed by the State of New Jersey through its Student Learning Standards for students in preschool, grades K-12 and through Transition to Adulthood to those programs and enhancements that the district offers. In addition to typical classroom programs, the district also offers services in Basic Skills, English as a Second Language, Special Education, Guidance, Child Study Team Services, Occupational Therapy, Physical Therapy, Speech, Health, Library/Technology, Counseling, Co-Curricular and Athletic programs. The Lawrence Township Board of Education augments and complements the NJSLS through programs designed to serve local needs. The Board of Education consistently exceeds the State of New Jersey's "Adequacy" criteria by millions of dollars each year.

Budget management is a function of the district's administrative team. Authority to manage the budget is granted by the Board of Education at its Reorganization Meeting and through administrative delegation. Budget authority is also designated by state law. The superintendent and school business administrator are responsible to develop and maintain internal controls and to create a budget process and management system that leverages the best educational ideas of all educational contributors and recipients.

Internal controls over resources are developed internally and reviewed on a regular basis by the school business administrator and evaluated independently each year by the district's independent auditor. The school business administrator holds the primary responsibility regarding budget deployment and monitoring. Additionally, the Board of Education is also charged with budget oversight through monthly approvals of the Board Secretary's and Treasurer's Reports.

Local Economy and Financial Outlook

The overall economic outlook for the school district and township were strained during the pandemic. There are readily identifiable short-term threats including: feeding students, providing technology for instruction, and learning how to teach and learn using remote instruction. Long-term challenges remain. The state imposed local property cap will continue to be a challenge into the future as salary and benefit costs are projected to exceed the 2% cap.

Many criteria are used to measure the economic position of the community and the financial outlook. Criteria used to measure the local economy are geared towards the municipality's ability to support the educational program. The three main indicators are number of students eligible for free and reduced priced meals, the unemployment rate, and the total Net Valuation Taxable (ratable base) of the township. Another significant criterion affecting the economic outlook are anticipated changes in demand for economic resources by way of changes in the educational program.

Free and reduced priced lunch eligibility is a measure of poverty/affluence based on income and number of persons in a household. The criteria for this means-based metric is determined by the State of New Jersey. During the audit year, as of February, the last full month of in-person attendance, 25% of the student population was eligible for either free or reduced priced meals. This is an decrease of 1% from the pre-audit year. During the final three months of the year, the district delivered lunches to any persons interested in participating in the Free and Reduced lunch program. Lunches were offered at no cost.

Unemployment is another critical factor in the economy indicating the ability to financial support education. Between the pre-audit year and the audit year, unemployment increased in Lawrence Township from 2.3% to 3.8%. Increases in unemployment also occurred at the national, county and state levels. The following were the average unemployment rates (six-month averages) for the first half of 2020: National 8.4%, New Jersey, 10%, Mercer County 7.4%, Lawrence Township 3.8%.

The final metric we use regarding financial health is the Net Valuation Taxable of property in Lawrence Township. The majority of the district's educational program is funded through property taxes. The Net Valuation Taxable represents the land value upon which the school tax burden is distributed. During the audit year, the tax base increased by \$4,626,201. This represents an increase of approximately 1/10 of 1%. There have been 3 consecutive years of favorable growth in the Net Valuation Taxable.

The previous discussion focused on the ability of a community to support education. The demand for educational dollars; however, is driven by the types of education demanded and the cost of providing the services. Programmatically, "Regular Education" consumes the greatest amount of economic resources. In the audit year, however, and post audit year, the district has realized a trend toward increasing costs for "Special Education." Special Education costs are being driven by the types of student classifications and not the quantity of students.

Within both of the previously noted programs, the main "Object" cost drivers are direct compensation in the form of salary and benefits. Salaries are negotiated with various collective bargaining units and are expected to increase at a rate of approximately 3%. Benefits, comprised mainly of health benefits, are expected to increase between 5-12%. Salaries and benefits normally comprise 75-80% of the school district's Total Operating Budget.

The meeting point between demand for resources, and the taxpayer's ability to support the educational program is largely set equal by the statutory cap on property tax growth. This cap fixed at 2% of the district's Total Operating Account tax levy. Property taxes, with few exceptions, may not increase between school years by more than 2%. The problem presented by the supply and demand conflict is that anticipated expenditures are projected to be greater than the anticipated growth in revenue. To reconcile the conflict, the district exercises long term financial planning and practices.

Financial Planning is a perpetual exercise beginning with assessing need, budgeting for needs, managing the deployment of the budget, projecting interim budget needs, and reassessing need and progress. Once needs are identified and funded, the district is charged with deploying limited resources effectively and efficiently. This deployment is often contingent on cost savings initiatives and revenue enhancements.

Broadly, the district strives to save resources and then reinvest those resources in educational programs. Notable initiatives of the district that are basic to our strategic financial planning are those designed to reduce non-instruction costs including: Installing over 6,000 solar panels which offset electrical demand by 25% and retrofitting lighting in 2012, 2015, and 2018 through grant funding thereby decreasing expenditures. The district has also installed its own private fiber optic lines between all buildings. The fiber optic lines eliminate the need to lease individual high-speed lines for each school from the telephone company. The lines make the entire district virtually one campus. The only exceptions are the remote buildings. As required by law, as of the conclusion of the audit year, all long-term debt eligible to be refinanced has been refinanced for the purpose of reducing the costs of interest. The district also participates in more common cost savings practices.

As a matter of daily function, the district also shares resources to create efficiencies. A long-standing relationship of shared services exists with the local municipal government. The local municipality and school district assist one another to provide the residents of Lawrence Township with services that make Lawrence Township unique. The district maintains an indoor swimming pool at Lawrence High School and the municipal government staff the facilities with life guards for after school hours use by the community. The district also houses both adult and student aged, "Night Programs" and the "Summer Programs" operated by the Township's Recreation Department.

Throughout the year, the District also provides facilities to the residents of Lawrence Township for special community wide functions. The district's Facilities Department and municipality's Public Works Department (PWD) also work closely with one another throughout the school year. The two units share equipment and resources. The PWD provides the district

with salt during snow storms while the district plows often assists with plowing municipal parking lots. Both organizations share grounds and maintenance tools.

The district also participates in a joint purchasing agreement with over 200 New Jersey School districts for supplies and minor construction services. The use of cooperative pricing systems has greatly increased over the years and now includes: Mercer County Cooperative Pricing System, The Educational Services Commission of New Jersey, Morris County Educational Services Cooperative Pricing System, Mercer County Special Services School District Cooperative Pricing System, Camden County Educational Services Commission, and The State of New Jersey's cooperative pricing system, "State Contract".

The district also participates in separate state-wide consortiums for the purchase of electricity, natural gas, and long-distance telephone. Locally, the district participates in transportation consortiums organized by Mercer County Coordinated Transportation Services. Transportation joint ventures are also undertaken directly between LTPS and other school districts. Joint ventures help to provide basic services in while reducing costs through cost sharing. Finally, the district is always seeking areas in which to save money. In the school year ending June 2018, the district completed an energy audit via a third-party entity sponsored by the State of New Jersey. The report showed no systematic deficiencies; however, it did recommend upgrades to systems and equipment as they become obsolete.

In addition to cost savings, the district also seeks to enhance revenue. During the past audit year, the district received in excess of \$200,000 in local grants. The majority of the grants were awarded to the Board by the Lawrence Township Education Foundation. These grants were used as seed money to fund novel educational ideas. Grant ideas and applications are generated several times a year and submitted directly by staff members to the foundation.

In addition to the foundation, the district's solar panel initiative also produces non-tax levy revenue. During the audit year, in addition to savings generated by the over 6,000 solar panels, the district sold \$381,000 worth of Solar Renewable Energy Certificates. The proceeds from these sales were realized as excess revenue and deposited into another of the district's long-term financial planning tools; Capital Reserve.

The district consistently utilizes its Capital Reserve and Maintenance Reserve Funds as savings vehicles designed to set aside funds for building improvements and maintenance. These reserves are strategically important because they provide a tool to set funding aside for the future and thereby decrease spikes in tax collections. The funds also insulate the operational budget from the effects of emergency building needs. Instead of transferring funds away from operational budget lines and into the area of need, the Board may use its reserves and not affect the instructional program.

Over the course of the audit year, reserve funds were used to address various building needs ranging from fixing boilers, installing fences, and doors to addressing lighting problems and building office spaces. At the conclusion of the year, the Board exercised its statutory authority and deposited \$500,000 into both the Maintenance Reserve and Capital Reserve accounts and \$300,000 into the Emergency Reserve account.

One of the most critical aspects of financial planning is the management of fund balance (surplus). Managing fund balance requires routine monitoring of current revenue and expenditures. In addition to balancing the budget, managing surplus is necessary because it is used as a revenue source in subsequent years. Surplus also provides an opportunity to make strategic deposits into the reserve accounts. Finally, surplus is also important as a mechanism allowing for "float." When tax collections or state aid are not received in a timely manner, or

when large expenditures are required in the current budget without operational revenue having been collected, the district's surplus cash can be used for short term cash needs.

Included within the Management Discussion and Analysis (MD&A) is an analysis of ending surplus. The district's internal controls require that surplus and the overall budget be reviewed once a month via an analysis of the Board Secretary's Report. The Board Secretary's Report is simply a collection of unaudited expenditures and revenues that either add to or diminish fund balance (surplus). While the interim reports are unaudited, the final report is audited. If the district realizes more revenue than expected, the additional revenue is added to surplus. Conversely, revenue shortfalls diminish surplus. Similarly, if the district over-expends its appropriations, surplus is decreased and if it underspends, surplus is increased. Surplus, also known as fund balance, is equal to retained earnings in traditional accounting.

LTPS strives to achieve its educational goals while maintaining positive retained earnings. "Excess" retained earnings (surplus) is used by the district to offset the amount of taxes requested in the following year's budget.

Finally, and most fundamentally, decisions made by the district that require resources are analyzed on the ability of the district to sustain the funded service. Staffing considerations are made with respect to enrollment changes and program changes. These decisions are also made through the lens of educational opportunity; doing things better or more efficiently, and discontinuing obsolescent or less effective practices.

Relevant Financial Policies

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

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

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

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 budget. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Each fund has its own separately balanced budget. 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

In accordance with statute, code, and policy, a double entry encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open

encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations in the fund balance at June 30.

Accounting Systems & Reports:

The district accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The district presents financial records in a Fund Accounting format and uses a Double Entry accounting system. Each district fund has its budget and is presented separately on discrete financial reports. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

Cash Management:

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

Risk Management:

Risk management encompasses both insurance decisions as well as loss prevention associated with non-insurance events. As cyber intrusions become more commonplace globally and security threats become more commonplace, the district has expanded its risk management thinking to include building projects, emergency response plans, data transmission and security, and a host of other formerly less conventional topics. Part of the district's referendum, discussed under "Initiatives" addresses these issues.

To prevent loss, the district practices a review of internal controls on a regular basis. The district also reviews its emergency plans and practices drills regularly. In addition to monthly fire drills, each school in the district also has one security drill per month.

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; worker's compensation and fidelity bonds. The Insurance schedule for the fiscal year is prepared by Arthur J. Gallagher & Co., Mt. Laurel, NJ. The insurance schedule for the reportable year is listed in the Statistical Section of the CAFR.

Independent Audit:

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

statements and schedules is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Major Initiatives

In addition to mandated functions, the district also focuses on yearly initiatives. For the audit year, with respect to each subject the district focused on the following:

The major initiatives this year were continuity of operations and addressing equitable educational experiences. Continuity of operations was a concern in FY '2020 due to the Coronavirus Covid 19 Pandemic. Schools closed in March 2020 for in-person instruction and remained closed for in-person instruction. Operations in the district were maintained; however, in-person operations were limited to essential staff. Delivery of instruction occurred remotely using online meeting platforms such as Google Meets and Zoom.

Concurrently in Lawrence Township, and country-wide, a social movement commenced for equitable treatment of persons of color. This movement was underway prior to the pandemic and reached into all aspects of the school district from governance to service delivery to reception of services.

These two significant occurrences required fundamental rethinking of the district's focus. Addressing these two issues continues remains the focus of the district at the time of this document's creation.

In complement to the initiatives discussed herein, on January 23, 2018 the district passed a bond referendum for \$25,105,000. The referendum projects were inspired by community feedback at Community Conversations and through trends in education. The initiatives within the referendum include adding air conditioning to all schools, installing an elevator at Lawrence Middle School, replacing boilers at Lawrence Middle School and Lawrence High School, installing security vestibules at Eldridge Park School, Slackwood School, Lawrence Intermediate School, and Lawrence Middle School. Also included are provisions for additional security upgrades such as intruder alarms, visitor management systems, new building access controls, public address systems and telephone systems. Finally, the referendum also includes provisions for renovating the ramps, windows, and siding of all district owned modular buildings. There projects are currently continuing and are under-budget.

Projected enrollment:

The Average Daily Enrollment for Lawrence Township has been declining and is expected to continue to decline; however, in 2019/2020, enrollment, according district records, was 3,797, a small increase of 25 students over the previous year. According to the enrollment projections within the district's Long-Range Facilities Plan, by the 2023/2024 school year, enrollments are projected to decline to as low as 3,374.

Please note that enrollment projections are influenced by many factors. While the number of students is currently in decline, the overall needs of students, educationally, has shifted in the last two years as special education is becoming more dynamic and is therefore demanding more resources. Enrollment, in addition to influencing the need for overall resources, also affects building capacity.

Year	ADE
2015	3,982
2016	3,918

2017 3,893
 2018 3,836
 2019 3,762
 2020 3,797

Buildings:

Educational services take place within the district's seven schools ranging in ages from their original construction in the early 1900's through their renovated conditions as recent as 2019. Each building is comprised of many additions which are each separate structures joined to the original structure.

The district is configured into four elementary schools housing students grades PK-3, one intermediate school with grades 4-6, a middle school serving grades 7-8, and a high school serving students in grades 9-12 and through Transition to Adulthood, one administration building and one warehouse/facilities department building. The buildings are currently undergoing renovations funded through a \$25,000,000 bond sale. More on current renovations financed through bonded projects may be found under "Initiatives." Building details may be found in the Statistical Section of the CAFR.

In addition to capital improvements, the district is also required to maintain its buildings. Building maintenance is measured in the CAFR in the form of a type of expenditure named "Required Maintenance." "Required maintenance" means, those maintenance activities necessary to keep the building open and safe, in its original condition, and preserve the warranty of the systems. NJAC 6A:26 requires that to be eligible for state aid, the school district must spend at least 2% of the replacement cost of each building in the form of "Required Maintenance" over the course of 10 years. The Lawrence Township Public Schools spends significantly more than 2% of each building's replacement cost. A ten-year history of Required Maintenance Expenditures may be found in the Statistical Section of the CAFR. The district consistently spends in magnitudes several times greater than required to meet the minimum required maintenance expenditure.

For more information on district practices, programs, and services, please contact the Office of the Superintendent at 609-671-550 or by emailing Lana Mueller, Operations Manager, at LMueller@LTPS.org. For more information regarding district finances, please contact Thomas Eldridge, School Business Administrator, at Teldridge@ltps.org.

Respectfully submitted,



Ross Kasun, Ed.D.
 Superintendent of Schools



Thomas Eldridge
 Business Administrator/Board Secretary

ROSTER OF OFFICIALS

Board Members:	Position	Date Elected	Term Begins	Term Ends
Jo Ann Groeger	Member	November 6, 2018	January 2019	January 2022
Joyce Scott	Member	November 6, 2018	January 2019	January 2022
Kevin Van Hise	Member	November 6, 2018	January 2019	January 2022
Pepper Evans	Member	November 5, 2019	January 2020	January 2023
Michelle King	Member	November 5, 2019	January 2020	January 2023
Jon Dauber	Member	November 5, 2019	January 2020	January 2023
Michele Bowes	Member	November 7, 2017	January 2018	January 2021
Cathy LeCompte	Member	November 5, 2019	January 2020	January 2021
Dana Drake	Member	November 6, 2018	January 2019	January 2021
Professionals:	Position	Appointed	Term Begins	Term Ends
Ross Kasun	Superintendent	October 16, 2019	July 20, 2019	June 30, 2024
Thomas Eldridge	Board Secretary/SBA	June 12, 2020	July 1, 2012	June 30, 2021
Appointments:	Position	Appointed	Term Begins	Term Ends
Peter Kiriakatis	Treasurer	May 20, 2020	July 1, 2020	June 30, 2021
Robert Hulsart and Co.	Auditor	May 20, 2020	July 1, 2020	June 30, 2021
Comegno Law	Attorney	May 20, 2020	July 1, 2020	June 30, 2021
Lenox Law	Attorney	May 20, 2020	July 1, 2020	June 30, 2021
Date of election	November 5, 2019			
Candidates (3- year term):	Votes:	Candidates (1-year term):	Votes:	
Heather L. Camp	2,275	Cathy LeCompte	3,696*	
Adena Romeo- Ratliff	1,734			
Pepper Evans	2,931*			
Jon Dauber	2,928*			
Michelle King	2,678*			

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEYS

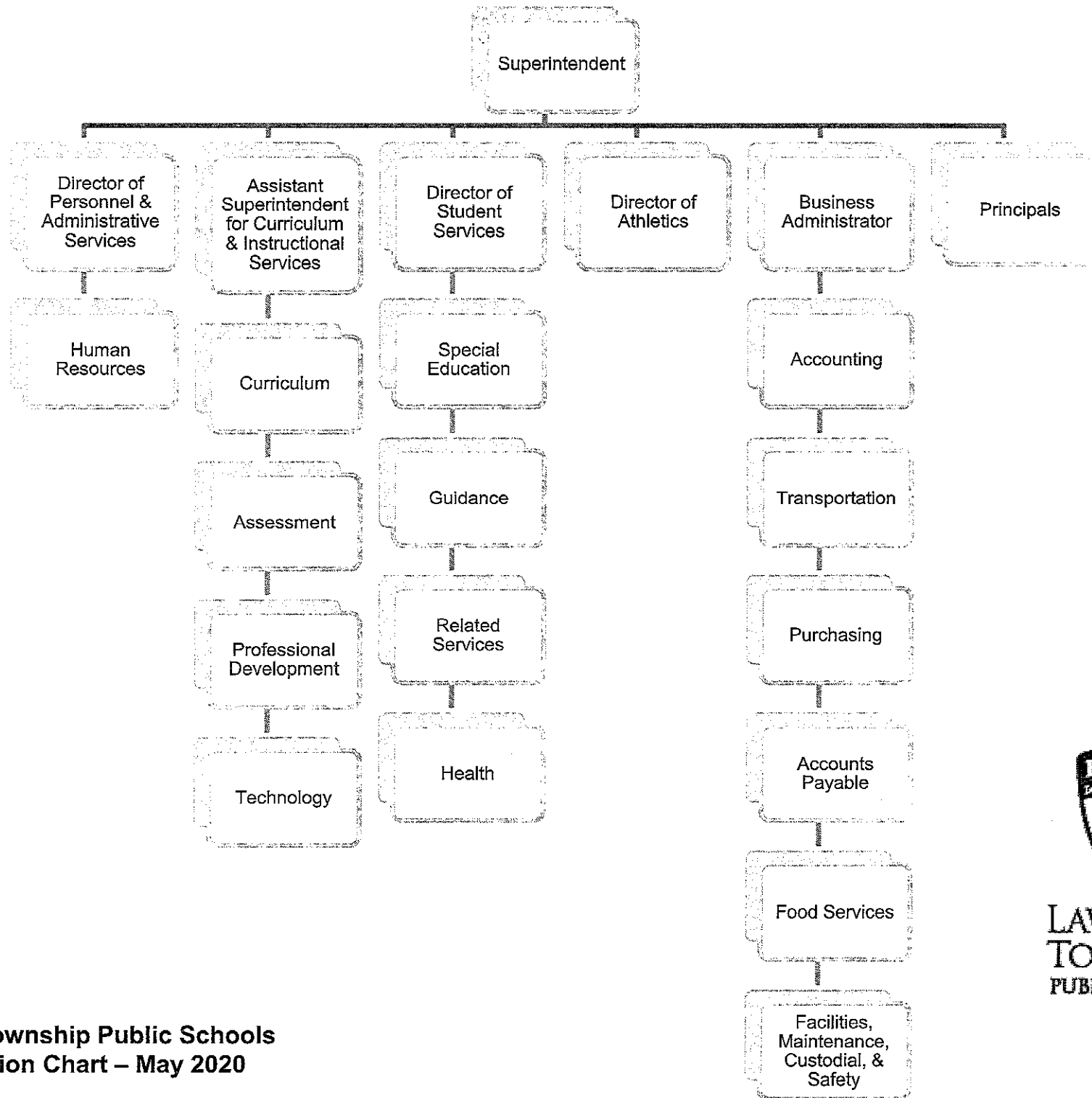
Comegno Law Group, P.C.
521 Pleasant Valley Avenue
Morrestown, New Jersey 08057

Lenox Law Firm
136 Franklin Corner Road #2
Lawrence Township, NJ 08618

Official Depositories

TD Bank

Berkshire Bank



**LAWRENCE
TOWNSHIP
PUBLIC SCHOOLS**

FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

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

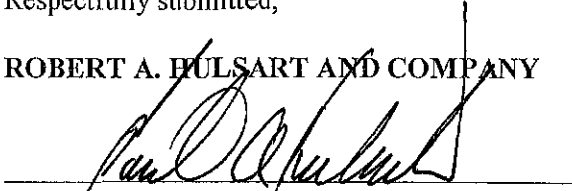
The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2021 on our consideration of the Lawrence Township's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lawrence Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



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

January 22, 2021

REQUIRED SUPPLEMENTARY INFORMATION
PART I

LAWRENCE TOWNSHIP PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

MD & A Format and Purpose:

The Management's Discussion and Analysis Report of Lawrence Township Public School District's financial performance provides a review of the school district's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to review and explain the school district's financial performance for the major fund categories. The MD&A should be read in conjunction with the Comprehensive Annual Financial Report (the audit/CAFR). For information about the deployment of resources relative to the instructional program, the reader is referred to the district's official budget and related information available in the Board Secretary's office located at the Administration Building, 2565 Princeton Pike, Lawrenceville, NJ 08648, or at the district's website at www.ltps.org.

Governmental Funds

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

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

Enterprise Funds

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

Schedules Contained in the Comprehensive Annual Financial Report

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

A. A brief discussion of basic financial statements:

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

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

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

The total change in Net Position was an increase from \$72,683,559 in the pre-audit year to \$66,223,291 in the audit year. This schedule does not recognize fund balance discussed later in the MD&A.

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

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

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

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

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

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

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

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

The Statement of Revenues, Expenditures and Changes in Fund Balances in "Exhibit B-2" is similar to an income statement. The first section is a list of all revenue by source, by fund followed by the second section listing all expenditures by category by fund. The change in "Net Position" is the difference between the expenditures and revenues. The difference between revenues and expenditures is Fund Balance.

Statements B-3 through B-7

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

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

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

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

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

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

B. Condensed financial information:

Condensed Financial information derived from district-wide financial Statements

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

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern. Funds 2020	Total Govern. Funds 2019
Assets						
Cash and Cash Equivalents-Restricted	7,745,095	184,817	14,671,062	178,026	22,779,000	29,290,617
Cash and Cash Equivalents-Unrestricted	2,212,479				2,212,479	2,874,257
Receivables, Net	882,045	317,776			1,199,821	1,243,304
Interfund	-			395,347	395,347	378,026
Total Assets	\$ 10,839,619	\$ 502,593	\$ 14,671,062	\$ 573,373	\$ 26,586,647	\$ 33,786,204
Liabilities and Fund Balance						
Liabilities:						
Accounts Payable	1,217,208	146,377	64,169		1,427,754	1,444,961
Other Liabilities	127				127	378,026
Interfund Payable	-		395,347		395,347	393,888
Deferred Revenue	-	369,416			369,416	
Total Liabilities	\$ 1,217,335	\$ 515,793	\$ 459,516	\$ -	\$ 2,192,644	\$ 2,216,875
Fund Balance:						
Restricted for						
Committed To:						
Maintenance Reserve	963,478	-	-	-	963,478	794,683
Emergency Reserve	485,000	-	-	-	485,000	200,000
Capital Reserve	3,391,905	-	-	-	3,391,905	972,706
Assigned to:						
Excess Surplus-Current Year	118,530	-	-	-	118,530	1,303,737
Other Purposes	1,861,182	-	5,577,442	-	7,438,624	13,918,031
Designated by the BOE for Subsequent	925,000	-	-	-	925,000	1,935,941
Capital Projects Fund			8,634,104		8,634,104	10,437,742
Debt Service Fund				573,373	573,373	378,518
Unassigned:						
Special Revenue Fund		(13,200)			(13,200)	(13,200)
General Fund	1,877,189	-	-	-	1,877,189	1,641,171
Total Fund Balances	9,622,284	(13,200)	14,211,546	573,373	24,394,003	31,569,329
Total Liabilities and Fund Balance	\$ 10,839,619	\$ 502,593	\$ 14,671,062	\$ 573,373		
Adj. for Capital Assets, See "Exhibit" B-1					104,609,606	105,745,444
Accrued Interest					(451,801)	(722,566)
Deferred outflow of resources					4,134,159	5,141,758
Deferred Inflow					(7,830,382)	(7,772,808)
Long Term Liabilities					(58,632,294)	(61,664,171)
Net Position					\$ 66,223,291	\$ 72,296,986

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern. Funds 2020	Total Govern. Funds 2019
Revenues						
Local Sources:						
Local Tax Levy	68,278,342			3,492,281	71,770,623	69,398,669
Tuition Charges	41,607				41,607	31,883
Miscellaneous	784,428	782,955	395,347	-	1,962,730	1,982,281
Total Local Sources	69,104,377	782,955	395,347	3,492,281	73,774,960	71,412,833
State Sources	15,816,817	1,009,732		599,412	17,425,961	16,426,301
Federal Sources	30,335	1,659,273			1,689,608	1,832,008
Total Revenue	84,951,529	3,451,960	395,347	4,091,693	92,890,529	89,671,142
Expenditures						
Current:						
Regular Instruction	19,994,951				19,994,951	19,765,837
Special Education Instruction	7,320,407	2,802,352			10,122,759	9,852,141
Other Special Instruction	2,184,089				2,184,089	2,178,386
Other Instruction	1,254,149				1,254,149	1,352,111
Support Services and Undist. Costs:						
Tuition	3,923,814				3,923,814	3,890,370
Student and Instruction Related Services	9,063,313	556,998			9,620,311	9,182,233
General Administrative Services	856,129				856,129	802,382
Other Administrative Services	3,949,993				3,949,993	3,757,869
Plant Operations and Maintenance	7,115,016				7,115,016	7,334,262
Pupil Transportation	3,403,114				3,403,114	3,933,797
Unallocated Benefits	24,041,432				24,041,432	21,623,393
Transfer of Funds to Chart. Sch./Food Se	190,995				190,995	65,720
Debt Service:						
Principal				2,580,000	2,580,000	2,475,000
Interest and Other Charges				1,712,185	1,712,185	739,544
Capital Outlay	256,750	92,610	8,767,558		9,116,918	3,295,302
Total Expenditures	83,554,152	3,451,960	8,767,558	4,292,185	100,065,855	90,248,347
Excess(Deficiency)	1,397,377	-	(8,372,211)	(200,492)	(7,175,326)	(577,205)
Other Financing			(395,347)	395,347	7,175,326	25,105,000
Net Change	1,397,377		(8,767,558)	194,855	(7,175,326)	24,527,795
Fund Balance July 1	8,224,907	(13,200)	22,979,104	378,518	31,569,329	7,041,534
Fund Balance June 30	\$ 9,622,284	\$ (13,200)	\$ 14,211,546	\$ 573,373	\$ 24,394,003	\$ 31,569,329

C. Analysis of the District's Financial Position. Financial Position

The Lawrence Township Board of Education separates its comprehensive budget into fund groupings. Major fund groupings are separated into discrete fund types. Each fund has its own budget and separate balance sheet. **This analysis focuses on the district's General Fund also known as the Operating Budget.** The other funds within the total

budget are the Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Each of these funds, the Student Activities Fund, the Food Service Fund, Payroll Account, and the Payroll Agency Account are audited. The specific focus of this overview is on the district's Fund Balance. Fund Balance for governmental entities is analogous to the Equity section of a corporate balance sheet.

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

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

The district's undesignated surplus approximates one of the district's 24 annual payroll obligations. For example, a typical payroll in the audit year amounted to \$1,900,000. During the audit year the board carried an operating surplus of \$1,802,458. At the conclusion of the school year, the district's Undesignated/Unreserved Surplus was \$2,257,864.

The culmination of variances in revenue and expenditures results in an increase or decrease to the district fund balance (surplus). In the audit year, the district was able to generate a surplus through excess revenues and unspent appropriations. The school district exceeded its budgeted revenue by \$1,189,470 as indicated in the schedules herein. Total Appropriations less expenditures and encumbrances were \$1,490,936. These funds are added to the balance sheet surplus of \$1,802,458 to arrive at a total ending surplus, before adjustments and restrictions of \$4,482,864. Of this amount, \$925,000 was budgeted as revenue for use in the following year's budget. \$500,000 was deposited into the Maintenance Reserve. \$500,000 was deposited into Capital Reserve. \$300,000 was budgeted into Emergency Reserve. The result of the adjustments and reservations was an undesignated unreserved surplus of \$2,257,864.

In summary, the ending surplus within the audit year allowed for investments in the physical plant through deposits into reserve accounts. The surplus was also used to offset tax levy in the future budget. Furthermore, the undesignated, unreserved, surplus remains at a level sufficient to offset negative cash flow associated with delayed tax collections and delayed state aid payments.

GENERAL FUND: FUND BALANCE			
Beginning Fund Balance: 10-770		3,795,261	
Plus: Designated Fund Balance		-	3,795,261
Less:			
Budgeted Fund Balance: 10-303	(1,992,803)		
Fund Balance During the Year			1,802,458
Closing:			
Add:			
Revenue: Actual Revenue - Budgeted Revenue	1,189,470		
Appropriations: Actual Expenditures - Budgeted Appropriations	1,490,936	2,680,406	
Ending Surplus before adjustments and restrictions:			4,482,864
Less: Adjustments and Restrictions			
Deposited into Capital Reserve	(500,000)		
Deposited into Maintenance Reserve	(500,000)		
Deposited into Emergency Reserve	(300,000)		
Used in Subsequent Year's Budget (Offsetting Tax Collections)	(925,000)	(2,225,000)	
Less: Excess Surplus for future budget			(118,530)
Ending Undesignated Unreserved Surplus			\$ 2,139,334

D. Analysis of Balances and Transactions of Individual Funds.

Below is a condensed five-year history of actual expenditures by Program within the General Operating Budget. The General Operating Budget represents the operating expenditures of the district. The below schedule is presented in the budgetary format and is condensed to make the information more meaningful to the reader. The two other significant funds are the Special Revenue Fund and the Debt Service Fund. The below analysis focuses on the General Fund and corresponds to Schedule C of the audit. Debt Service Administration is addressed in a separate section of the MD&A. As noted in Section C of this discussion the district completed the year with favorable balances in both the Revenue and Appropriations sides of the ledger. Section C discussed Budgeted to Actual with respect to overall appropriation variances. The illustration below shows a Historical expenditure trend and variance between audit and pre-audit years.

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

PROGRAM PURCHASED CONDENSED SUMMARY	ACTUAL 15/16	ACTUAL 16/17	ACTUAL 17/18	ACTUAL 18/19	ACTUAL 19/20	VARIANCE DOLLARS	CHANGE PERCENT
Regular Education	25,250,106	25,751,391	26,366,384	26,293,982	26,541,807	247,825	1%
Special Education	12,167,536	12,851,287	13,884,775	14,536,992	15,238,289	701,297	5%
Health/Media/Attendance	1,965,163	2,025,064	1,994,492	2,089,085	2,076,622	(12,463)	-1%
Admin., Tech., Legal, Ins.	4,176,739	4,414,982	4,339,299	4,560,250	4,806,120	245,870	5%
Security, Maint., Utilities	7,269,603	7,301,285	6,942,110	7,334,261	7,115,018	(219,243)	-3%
Employee Benefits	10,649,908	10,483,501	11,179,543	11,209,753	13,032,397	1,822,644	16%
Transportation	3,124,801	3,364,525	3,698,806	3,933,797	3,403,114	(530,683)	-13%
Capital	1,065,605	5,505,661	996,309	1,032,673	331,749	(700,924)	-68%
TOTAL PROGRAMS	\$ 65,669,461	\$ 71,697,695	\$ 69,401,719	\$ 70,990,792	\$ 72,545,117	\$ 1,554,325	2%

NOTE: The reader may reconcile the district records (Expenditure table above) to Schedule C of the audit.

Regular Instruction, typically driven by salaries, decreased by 1% in the audit year, the increase is attributed to an increase in preschool expenditures. This change may be found by analyzing the "C Schedules" and referencing "Preschool".

Special Education and Out of District Tuition (Also a form of Special Education) had the largest increase of \$701,297 representing a year over year percentage growth of 5%. These costs are driven by increased staffing and increased costs for students placed out of district. This category also includes direct instruction as well as support services such as 1:1 student assistants, child study team services, occupational therapy, physical therapy, speech, nursing services (IEP driven). Not included are employee health benefits and transportation cost.

Health/Media and Attendance is primarily driven by salaries. Attendance lines increased due to salaries and technology software costs. Library decreases were driven technology costs. Health costs were essentially flat.

Administration includes General Administration, School Administration, Central Services (Business and Personnel), and District-wide Technology. The variance for these areas combined, year over year, was 5%. This change is detailed in Schedule C of the audit. Direct compensation accounted for the majority of the year over year increases. Also notable were increases in legal and insurance costs.

Grounds Care/Maintenance/Security has a -3% change in expenditure year over year. Due to the Pandemic, energy consumption decreased. The district also declined to fill a vacant position. Please see "Required Maintenance" in Schedule C of the audit.

Employee Benefit expenditures representing health insurance, social security, pension costs, sick leave payout, workers compensation, and other miscellaneous costs had an increase of 16%. This increase in was directly attributable to increases in the premium for medical benefits. Also notable was a larger than usual annual payment of Sick Leave.

Transportation shows a decrease of 13%. This is an accounting aberration due to the Pandemic. Contracts remained unpaid from March through year end in June until settlement could be reached. The figure shown in the audit is actual cash paid. The balance of owed on contracts was not certain and rolled into the Post-Audit year as "Prior Year Encumbrances". This artificial decrease in the audit year will show as an artificial increase in the Post Audit Year.

Capital Outlay represents non-recurring expenditures and the reader should not evaluate this item for trends. These expenditures are primarily funded through withdrawals from the district's Capital Reserve account and therefore do not impact tax levy or the budget cap.

CONDENSED REVENUES:

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

GENERAL OPERATING ACCOUNT REVENUE ANALYSIS	ACTUAL 15/16	ACTUAL 16/17	ACTUAL 17/18	ACTUAL 18/19	ACTUAL 19/20	VARIANCE DOLLARS	PERCENT CHANGE
Local Revenue in General Fund:							
Tax Levy	62,210,439	63,454,008	64,936,030	66,556,034	68,278,342	\$ 1,722,308	3%
Tuition Revenue	229,125	18,378	20,632	31,883	41,607	\$ 9,724	47%
Interest and Misc. Revenue	302,114	491,174	448,502	846,412	784,427	\$ (61,985)	-14%
Local Revenue:	\$ 62,741,678	\$ 63,963,560	\$ 65,405,164	\$ 67,434,329	\$ 69,104,377	\$ 1,670,047	3%
State and Federal Revenue in General Fund:							
Transportation Aid	612,017	653,820	653,820	1,102,884	1,102,884	\$ -	0%
Extraordinary Aid	305,897	404,749	385,181	555,345	654,633	\$ 99,288	26%
Special Education Aid	2,353,591	2,323,116	2,423,722	2,423,722	2,695,812	\$ 272,090	11%
Security Aid	417,886	421,512	421,512	421,512	421,512	\$ -	0%
Supplemental Transportation Aid	66,412	52,777	82,485	111,737	33,799	\$ (77,938)	-94%
PARCC Readiness Aid	40,410	40,410	40,410	-	-	\$ -	0%
Per Pupil Growth Aid	40,410	40,410	40,410	-	-	\$ -	0%
Professional Learning Communities	-	39,090	39,090	-	-	\$ -	0%
SEMI	71,819	65,053	33,656	34,467	30,335	\$ (4,132)	-12%
State and Federal Revenue	\$ 3,908,442	\$ 4,040,937	\$ 4,120,286	\$ 4,649,667	\$ 4,938,975	\$ 289,308	7%
TOTAL GENERAL OPERATING REVENUE	\$ 66,650,120	\$ 68,004,497	\$ 69,525,450	\$ 72,083,996	\$ 74,043,352	\$ 1,959,356	3%

Local Revenue in the General Operating Account is primarily made up of tax levy. Tax levy is the major funding source within the General Operating Account. Tax levy receipts increased by \$1,722,308 representing a 3% increase. The other local revenues include interest, prior year refunds, and tuition. Interest and Miscellaneous revenue increased by \$52,261 in the audit year. This decrease is due to an extraordinary large SREC Sale in 2018/2019.

State and Federal Revenue in the General Operating Account is primarily made up of state aid. Due to changes in the funding formula and distribution of state aid, Lawrence Township Public Schools is experiencing an increase in aid. In addition to increases in "formula aid"; the district is also experiencing an increase in "Extraordinary Aid." Overall, the district received an additional \$289,000 in the audit year. \$272,090 of this aid, was received in the form of Special Education Aid. \$99,288 was Extraordinary Aid, was received after the year was completed and was not available for budget purposes in the audit year. The decrease in Supplemental Transportation Aid is due to fewer dollars paid in the form of Aid in Lieu. The reader should note that the State of New Jersey changed aid categories during the audit year.

The additional aid was used to close the gap that existed between the district's budgeted expenditures and the restrictions on tax levy growth. Tax levy, representing 92% of the district's funding source, is capped at 2% growth (subject to adjustments). Salaries and benefits, representing approximately 80% of the budgeted expenditures are increasing in excess of the tax levy cap.

NOTE: Please note that the State of New Jersey changed the funding formula thereby making some forms of aid obsolete. These categories show no revenue.

E. Analysis of significant variations within the General Fund

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

Audit Schedule C-1 compares Original Budgeted Revenue to Final Budgeted Revenue compared with Actual Revenue. The Budget to Actual variance was a positive due to additional unexpected Extraordinary Aid and Transportation Aid. The Final Budget to Actual variance is primarily the result of non-cash transactions expended by the State of New Jersey but recorded on the district's financial statement. These types of transactions include the Teacher's Pension and Annuity Fund and Social Security for TPAF participants.

Detailed variances for both Revenue and Expenditures are discussed in Section D.

F. Capital Asset and Debt Administration

The district has a separate fund (budget) entitled Repayment of Debt for the purpose of tracking long term debt liabilities. On June 30, 2020, the School District had \$37,695,000 in outstanding. The following issues remain open until their respective maturity dates:

Referendum	Balance Remaining	Maturity
Technology Paid off (retired)	Paid off (retired)	2013
Early Retirement	Paid off (retired)	2016
Windows, Roofs, Asbestos	Paid off (retired)	2017
Alterations and Additions	\$6,700,000.00	2023 (Debt has been refinanced)
Photovoltaic Installation	\$5,890,000.00*	2028 (Debt has been refinanced)
HVAC/Safety/Elevator	\$25,105,000.00*	2034

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

Note: Readers are referred to the Financial Notes and Introduction Letter for more detail.

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

Grants and Cooperative Relationships-

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

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

Business-Type Activities: Enterprise Funds

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

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

As reported in Exhibit B-5, the District's business-type activities were comprised of charges for services and federal and state reimbursements. Revenue of Business Type activities directly offsets the need to raise property taxes. The reader of this section of the audit (Exhibit B-5) should be careful to note that while the audit contains a line for

“Operating Income (Loss)”, it does not contain a line for “Budgeted Fund Balance” which, in all cases for Lawrence Township Public Schools, offsets any loss.

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

Source: Audit Exhibit B-5

Governmental Activities

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

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

Contacting the School District's Financial Management

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

Notes to Financial Statements

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

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

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

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

Statistical Section

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

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

J-1 Net Assets by Component

J-2 Changes in Net Assets

J-3 Fund Balances-Governmental Funds

J-4 Changes in Fund Balances-Governmental Funds

J-5 General Fund Other Local Revenue by Source

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

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

J-7 Direct and Overlapping Property Tax Rates

J-8 Principal Property Taxpayers

J-9 Property Tax Levies and Collections

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

J-10 Ratios of Outstanding Debt by Type

J-11 Ratios of General Bonded Debt Outstanding

J-12 Direct and Overlapping Governmental Activities Debt

J-13 Legal Debt Margin Information

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

J-14 Demographic and Economic Status

J-15 Principal Employers

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

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

J-17 Operating Statistics

J-18 School Building Information

J-19 Schedule of Allowable Maintenance Expenditures by School Facility
J-20 Insurance Schedule

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

LAWRENCE TOWNSHIP SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 2,212,479	155,978	2,368,457
Receivables, Net	1,199,821	26,707	1,226,528
Inventory		60,721	60,721
Restricted Assets:			
Cash and Cash Equivalents	23,319,000		23,319,000
Capital Assets-Non-Depreciable	32,622,900		32,622,900
Capital Assets-Depreciable-Net	71,986,706	213,447	72,200,153
Total Assets	<u>131,340,906</u>	<u>456,853</u>	<u>131,797,759</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>4,134,159</u>		<u>4,134,159</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>7,830,382</u>		<u>7,830,382</u>
<u>Liabilities</u>			
Accounts Payable	1,427,881	18,692	1,446,573
Deposits Payable - Employee Benefits	540,000		
Accrued Interest	451,801		451,801
Deferred Revenue	369,416		369,416
Noncurrent Liabilities:			
Due Within One Year	3,685,000		3,685,000
Due Beyond One Year	54,947,294		54,947,294
Total Liabilities	<u>61,421,392</u>	<u>18,692</u>	<u>60,900,084</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	66,914,606	213,447	67,128,053
Restricted For:			
Debt Service	573,373		573,373
Special Revenue	(13,200)		(13,200)
Capital Projects	14,211,546		14,211,546
Other Purposes	4,840,383		4,840,383
Unrestricted	<u>(20,303,417)</u>	<u>224,714</u>	<u>(20,078,703)</u>
Total Net Position	<u>\$ 66,223,291</u>	<u>438,161</u>	<u>66,661,452</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 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
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 19,994,951			(19,994,951)		(19,994,951)
Special Education	10,122,759		2,802,352	(7,320,407)		(7,320,407)
Other Special Instruction	2,184,089			(2,184,089)		(2,184,089)
Other Instruction	1,254,149			(1,254,149)		(1,254,149)
Support Services:						
Tuition	3,923,814	41,607		(3,882,207)		(3,882,207)
Student & Instruction Related Services	9,620,311		556,998	(9,063,313)		(9,063,313)
School Administrative Services	856,129			(856,129)		(856,129)
General and Business Administrative Services	3,949,993			(3,949,993)		(3,949,993)
Plant Operations and Maintenance	7,115,016			(7,115,016)		(7,115,016)
Pupil Transportation	3,403,114			(3,403,114)		(3,403,114)
Unallocated Benefits	24,654,728			(24,654,728)		(24,654,728)
Transfer to Charter School\Food Service	190,995			(190,995)		(190,995)
Interest on Long-Term Debt	1,441,420			(1,441,420)		(1,441,420)
Capital Outlay	8,760,947		92,610	(8,668,337)		(8,668,337)
Unallocated Depreciation	1,491,809			(1,491,809)		(1,491,809)
Total Government Activities	98,964,224	41,607	3,451,960	(95,470,657)	-	(95,470,657)
Business-Type Activities:						
Proprietary Funds	1,189,553	657,869	583,272		51,588	51,588
Total Business-Type Activities	1,189,553	657,869	583,272	-	51,588	51,588
Total Primary Government	100,153,777	699,476	4,035,232	(95,470,657)	51,588	(95,419,069)

LAWRENCE TOWNSHIP SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

Exhibit A-2

Sheet 2 of 2

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes			
Property Taxes, Levied for General Purpose, Net	68,278,342		68,278,342
Taxes Levied for Debt Service	3,492,281		3,492,281
Federal and State Aid Not Restricted	16,446,564		16,446,564
Miscellaneous Income	<u>1,179,775</u>		<u>1,179,775</u>
Total General Revenues, Special Items, and Transfers	<u>89,396,962</u>	<u>-</u>	<u>89,396,962</u>
Change in Net Position	(6,073,695)	51,588	(6,022,107)
Net Position - Beginning	<u>72,296,986</u>	<u>386,573</u>	<u>72,683,559</u>
Net Position - Ending	<u>\$ 66,223,291</u>	<u>438,161</u>	<u>66,661,452</u>

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

FUND FINANCIAL STATEMENTS – B...

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents-Restricted	\$ 7,745,095	184,817	14,671,062	178,026	22,779,000
Cash and Cash Equivalents-Unrestricted	2,212,479				2,212,479
Receivables, Net	882,045	317,776			1,199,821
Interfund Receivable				395,347	395,347
Total Assets	\$ 10,839,619	502,593	14,671,062	573,373	26,586,647
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts Payable	\$ 1,217,208	146,377	64,169		1,427,754
Other Liabilities	127				127
Interfund Payable			395,347		395,347
Deferred Revenue		369,416			369,416
Total Liabilities	1,217,335	515,793	459,516	-	2,192,644
Fund Balance:					
Restricted for:					
Committed To:					
Maintenance Reserve	963,478				963,478
Emergency Reserve	485,000				485,000
Capital Reserve Account	3,391,905				3,391,905
Assigned To:					
Excess Surplus - Current Year	118,530				118,530
Other Purposes	1,861,182		5,577,442		7,438,624
Designated By The BOE for Subsequent Year's Expenditures	925,000				925,000
Capital Projects Fund			8,634,104		8,634,104
Debt Service Fund				573,373	573,373
Unassigned:					
Special Revenue Fund		(13,200)			(13,200)
General Fund	1,877,189				1,877,189
Total Fund Balances	9,622,284	(13,200)	14,211,546	573,373	24,394,003
Total Liabilities and Fund Balance	\$ 10,839,619	502,593	14,671,062	573,373	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$160,576,734 and the accumulated depreciation is \$55,967,128.

104,609,606

Accrued Interest

(451,801)

Deferred outflow of resources - contributions to the pension plan

4,134,159

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

(7,830,382)

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

(58,632,294)

Net Position of governmental activities

\$ 66,223,291

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 68,278,342			3,492,281	71,770,623
Tuition Charges	41,607				41,607
Miscellaneous	784,428	782,955	395,347		1,962,730
Total Local Sources	69,104,377	782,955	395,347	3,492,281	73,774,960
State Sources	15,816,817	1,009,732		599,412	17,425,961
Federal Sources	30,335	1,659,273			1,689,608
Total Revenues	84,951,529	3,451,960	395,347	4,091,693	92,890,529
<u>Expenditures</u>					
Current:					
Regular Instruction	19,994,951				19,994,951
Special Education Instruction	7,320,407	2,802,352			10,122,759
Other Special Instruction	2,184,089				2,184,089
Other Instruction	1,254,149				1,254,149
Support Services and Undistributed Costs:					
Tuition	3,923,814				3,923,814
Student and Instruction Related Services	9,063,313	556,998			9,620,311
General Administrative Services	856,129				856,129
Other Administrative Services	3,949,993				3,949,993
Plant Operations and Maintenance	7,115,016				7,115,016
Pupil Transportation	3,403,114				3,403,114
Unallocated Benefits	24,041,432				24,041,432
Transfer of Funds to Charter Schools/Food Service	190,995				190,995
Debt Service:					
Principal				2,580,000	2,580,000
Interest and Other Charges				1,712,185	1,712,185
Capital Outlay	256,750	92,610	8,767,558		9,116,918
Total Expenditures	83,554,152	3,451,960	8,767,558	4,292,185	100,065,855

LAWRENCE TOWNSHIP SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Exhibit B-2
Sheet 2 of 2

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	1,397,377	-	(8,372,211)	(200,492)	(7,175,326)
Other Financing Sources (Uses):					
Transfer from Capital Projects to Debt Service	-	-	(395,347)	395,347	-
Total Other Financing Sources (Uses)	-	-	(395,347)	395,347	-
Net Change in Fund Balances	1,397,377	-	(8,767,558)	194,855	(7,175,326)
Fund Balance - July 1	8,224,907	(13,200)	22,979,104	378,518	31,569,329
Fund Balance - June 30	\$ 9,622,284	(13,200)	14,211,546	573,373	24,394,003

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ (7,175,326)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Capital Outlay	355,971	
Depreciation Expense	<u>(1,491,809)</u>	(1,135,838)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		2,580,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		(1,007,599)
Pension Related Deferrals		(57,574)
Net Pension Liability		1,118,656
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due. The accrued interest is an addition in the reconciliation.		270,765
Compensated Absences		<u>(666,779)</u>
Change in Net Position of Governmental Activities		<u>\$ (6,073,695)</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2020

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities- Internal Service Fund</u>
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 155,978	540,000
Accounts Receivable:		
State	416	
Federal	26,291	
Inventory	60,721	
Total Current Assets	<u>243,406</u>	<u>540,000</u>
Noncurrent Assets:		
Equipment	893,104	
Accumulated Depreciation	(679,657)	
Total Noncurrent Assets	<u>213,447</u>	<u>-</u>
Total Assets	<u>\$ 456,853</u>	<u>540,000</u>
<u>Liabilities</u>		
Current Liabilities:		
Accounts Payable	\$ 18,692	
Deposits Payable		540,000
Total Liabilities	<u>\$ 18,692</u>	<u>540,000</u>
<u>Net Position</u>		
Investment in Capital Assets	\$ 213,447	
Unrestricted	224,714	
Total Net Position	<u>\$ 438,161</u>	<u>-</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2019

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Operating Revenues:		
Local Sources:		
Daily Sales Reimbursable Programs:		
School Lunch Program	\$ 405,403	
Daily Sales Non-Reimbursable Programs	248,472	
Fees	3,994	
Total Operating Revenues	657,869	-
Operating Expenses:		
Salaries & Benefits	434,296	
Supplies and Materials	63,115	
Repairs	23,701	
Miscellaneous	60,527	
Cost of Sales-Reimbursable Programs	320,043	
Cost of Sales-Non-Reimbursable Programs	205,066	
Depreciation	47,445	
Management Fee	35,360	
Deposits Payable - Employee Benefits		540,000
Total Operating Expenses	1,189,553	540,000
Operating Income (Loss)	(531,684)	(540,000)
Non-Operating Revenues:		
Contributions - General Fund		540,000
Board Subsidy	75,000	
State Sources:		
State School Lunch Program	11,756	
Federal Sources:		
National School Lunch Program	397,753	
HHFKA Lunch Program	15,702	
School Breakfast Program	28,266	
Commodities	54,795	
Total Non-Operating Revenues	583,272	540,000
Net Income (Loss)	51,588	-
Net Position, July 1	386,573	-
Net Position, June 30	\$ 438,161	-

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

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

JUNE 30, 2020

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 657,869	
Payments for Salaries	(434,296)	
Payments for Other Costs	(815,652)	
Deposits Payable - Employee Benefits		(540,000)
Net Cash Used By Operating Activities	<u>(592,079)</u>	<u>(540,000)</u>
Cash Flows from Capital and Related Financing Activities:		
Change in Capital Contributions	-	540,000
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>540,000</u>
Cash Flows from Noncapital Financing Activities:		
Cash Received From Board Subsidy	75,000	
Cash Received From State and Federal Reimbursements	453,477	
Net Cash Provided Noncapital Financing Activities:	<u>528,477</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(63,602)	-
Cash and Cash Equivalents, July 1	<u>219,580</u>	
Cash and Cash Equivalents, June 30	<u>\$ 155,978</u>	<u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (531,684)	
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:		
Depreciation	47,445	
Commodities	54,795	
Decrease/(Increase) in Inventory	(26,073)	
(Increase)/Decrease in Accounts Receivable	81,820	
Increase/(Decrease) in Accounts Payable	<u>(218,382)</u>	
Net Cash Used By Operating Activities	<u>\$ (592,079)</u>	<u>-</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 612,424	31,674
Total Assets	<u>\$ 612,424</u>	<u>31,674</u>
Net Position:		
Held in Trust for Unemployment Claims and Other Purposes	\$ 612,424	
Reserved for Scholarships		31,674
Total Net Position	<u>\$ 612,424</u>	<u>31,674</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDSFOR THE YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<u>Additions</u>		
Contributions:		
Other	\$ 100,000	1,100
Total Additions	<u>100,000</u>	<u>1,100</u>
<u>Deductions</u>		
Scholarships Awarded		2,400
Total Deductions	-	<u>2,400</u>
Change in Net Position	100,000	(1,300)
Net Position - Beginning of the Year	<u>512,424</u>	<u>32,974</u>
Net Position - End of the Year	<u>\$ 612,424</u>	<u>31,674</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION**LAWRENCE TOWNSHIP SCHOOL DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2020****NOTE 1: Summary of Significant Accounting Policies**

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

A. Reporting Entity:

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

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

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

B. Government-Wide Financial Statements

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

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

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

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2020 were insignificant.

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

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

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

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

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

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

F. Encumbrances:

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

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

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

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

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

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

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

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

The District performed an in-house asset valuation during the 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2002-2003 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2003, fiscal year 2003 depreciation expense, total accumulated depreciation and book values were also provided. The records have updated annually through June 30, 2020. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

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

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental Activities:					
Capital Assets That are Not Being Depreciated:					
Land	\$ 32,622,900	_____	_____	_____	32,622,900
Total	<u>32,622,900</u>	_____	_____	_____	<u>32,622,900</u>
Depreciable Assets:					
Buildings	121,714,832				121,714,832
Machinery & Equipment	<u>5,260,628</u>	<u>85,270</u>	<u>893,104</u>	_____	<u>6,239,002</u>
Total	<u>126,975,460</u>	<u>85,270</u>	<u>893,104</u>	_____	<u>127,953,834</u>
Less: Accumulated Depreciation:					
Buildings	(50,612,667)	(1,129,181)			(51,741,848)
Machinery & Equipment	<u>(3,240,249)</u>	<u>(362,628)</u>	<u>(622,403)</u>	_____	<u>(4,225,280)</u>
Total Accumulated Depreciation	<u>(53,852,916)</u>	<u>(1,491,809)</u>	<u>(622,403)</u>	_____	<u>(55,967,128)</u>
Net Depreciable Assets	<u>73,122,544</u>	<u>(1,406,539)</u>	<u>270,701</u>	_____	<u>71,986,706</u>
Governmental Activities Capital Assets (Net)	<u>\$ 105,745,444</u>	<u>(1,406,539)</u>	<u>270,701</u>	_____	<u>104,609,606</u>

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

Accumulated depreciation was allocated to governmental activities as follows:

	Prior Years' Accumulated Depreciation	Current Year Depreciation Expense	Adjustments	Total Accumulated Depreciation
Instruction	\$ 8,077,937	223,771	93,361	8,395,069
Support Services	5,385,292	149,181	62,240	5,596,713
Unallocated	<u>40,389,687</u>	<u>1,118,857</u>	<u>466,802</u>	<u>41,975,346</u>
	<u>\$ 53,852,916</u>	<u>1,491,809</u>	<u>622,403</u>	<u>55,967,128</u>

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Business-Type Activities:				
Equipment	\$ 893,104			893,104
Less: Accumulated Depreciation:				
Equipment	<u>(632,212)</u>	<u>(47,445)</u>	<u>_____</u>	<u>(679,657)</u>
Business-Type Capital Assets (Net)	<u>\$ 260,892</u>	<u>(47,445)</u>	<u>_____</u>	<u>213,447</u>

J. Compensated Absences

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

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

K. Deferred Revenue

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

L. Fund Equity

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

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

Investments

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

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

As of June 30, 2020, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash <u>Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 28,275,355</u>

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2020 was \$28,275,355 and the bank balance was \$29,261,814. Of the bank balance, \$727,213 was covered by federal depository insurance and \$28,534,601 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

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

FDIC	\$ 727,213
GUPDA	<u>28,534,601</u>
	<u>\$ 29,261,814</u>

As of June 30, 2020, the District did not hold any long-term investments.

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

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

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Long-Term</u> <u>Portion</u>	<u>2020-21</u> <u>Payment</u>
Pension Liability	\$ 20,930,226		(1,118,656)	19,811,570	19,811,570	
Compensated Absences Payable	458,945	666,779		1,125,724	1,125,724	
Bonds Payable	<u>40,275,000</u>	_____	(2,580,000)	<u>37,695,000</u>	<u>34,010,000</u>	<u>3,685,000</u>
Total	<u>\$ 61,664,171</u>	<u>666,779</u>	<u>(3,698,656)</u>	<u>58,632,294</u>	<u>54,947,294</u>	<u>3,685,000</u>

A. Bonds Payable

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

1. Refunding issue of 3-1-12 for \$18,450,000 at 4% maturing 3-1-23 with a balance of \$6,700,000 maturing 3-1-23.
2. Refunding issue of 11-17-15 for \$6,435,000 at 2.0% to 5.0% interest with a balance of \$5,890,000 maturing 7-15-28.
3. Bond issue of 8-15-18 for \$25,105,000 at 2.0% to 3.0% interest with a balance of \$25,105,000 maturing 9-1-33.

NOTE 3: General Long-Term Debt (Continued)

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020-2021	\$ 3,685,000	1,244,213	4,929,213
2021-2022	3,815,000	1,103,387	4,918,387
2022-2023	4,145,000	958,101	5,103,101
2023-2024	2,520,000	785,788	3,305,788
2024-2025	2,650,000	700,350	3,350,350
2025/26-2029/30	12,880,000	2,154,900	15,034,900
2030/31-2033/34	<u>8,000,000</u>	<u>480,000</u>	<u>8,480,000</u>
	<u>\$ 37,695,000</u>	<u>7,426,739</u>	<u>45,121,739</u>

NOTE 4: Pension Plans

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

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

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

NOTE 4: Pension Plans (Continued)

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

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

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

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

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

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

Year	Annual	Percentage	Net
Funding	Pension	of APC	Pension
	Cost (APC)	Contributed	Obligation
6/30/20	\$ 970,535	100%	0
6/30/19	1,052,200	100%	0
6/30/18	1,072,726	100%	0

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

Year	Annual	Percentage	Net
Funding	Pension	of APC	Pension
	Cost (APC)	Contributed	Obligation
6/30/20	\$ 8,666,465	100%	0
6/30/19	8,133,139	100%	0
6/30/18	6,804,157	100%	0

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$8,666,465 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,342,570 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 24.

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).

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

The following represents the membership tiers for PERS:

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

NOTE 4: Pension Plans (Continued)

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

Basis of Presentation

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

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2019 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2019.

NOTE 4: Pension Plans (Continued)

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2019 State special funding situation net pension liability amount of \$125.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$132.2 million, for the fiscal year ending June 30, 2019, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

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

For the year ended June 30, 2020, the District recognized pension expense of \$970,535. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 355,592	30,209
Changes of Assumptions	1,978,258	2,373,622
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		107,948
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	829,774	405,579
District Contributions Subsequent to the Measurement Date	<u>970,535</u>	<u> </u>
Total	<u>\$ 4,134,159</u>	<u>2,917,358</u>

NOTE 4: Pension Plans (Continued)

\$970,535 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) 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:

Year Ending June 30,	
2020	\$ (568,095)
2021	(1,842,927)
2022	(1,645,626)
2023	(772,706)
2024	<u>(79,342)</u>
	<u>\$ (4,908,696)</u>

Additional Information

Collective balances at December 31, 2019 and 2018 are as follows:

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Collective Deferred Outflows of Resources	\$ 4,134,159	5,141,758
Collective Deferred Inflows of Resources	7,830,382	7,772,808
Collective Net Pension Liability	19,811,570	20,930,226
District's Proportion	.10919%	.10630%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2019 were as follows:

	2019		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,512,766,255	41,491,463,886	71,004,230,141
Plan Fiduciary Net Position	<u>6,500,345,915</u>	<u>23,347,631,751</u>	<u>29,847,977,666</u>
Net Pension Liability	<u>\$ 23,012,420,340</u>	<u>18,143,832,135</u>	<u>41,156,252,475</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.03%	56.27%	42.04%

NOTE 4: Pension Plans (Continued)

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on years of service
Thereafter	3.00% - 7.00% Based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

NOTE 4: Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2019</u>		
	<u>At 1% Decrease (5.28%)</u>	<u>At Current Discount Rate (6.28%)</u>	<u>At 1% Increase (7.28%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 25,025,232</u>	<u>19,811,570</u>	<u>15,418,321</u>

NOTE 4: Pension Plans (Continued)**Teachers Pensions and Annuity Fund (TPAF)****Plan Description**

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

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

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

Basis of Presentation

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

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Total Pension Liability	\$ 84,215,846,719	86,797,467,286
Plan Fiduciary Net Position	<u>22,696,734,276</u>	<u>22,991,116,840</u>
Net Pension Liability	<u>\$ 61,519,112,443</u>	<u>63,806,350,446</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%

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

	<u>2019</u>	<u>2018</u>
District's Liability	\$ <u>170,862,612</u>	<u>174,159,322</u>
District's Proportion	.27774%	.27295%

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45%
	Based on years of service
Thereafter	2.75 - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

NOTE 4: Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2019</u>		
	<u>At 1% Decrease (4.60%)</u>	<u>At Current Discount Rate (5.60%)</u>	<u>At 1% Increase (6.60%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share of the District's Net Pension Liability	<u>201,484,837</u>	<u>170,862,612</u>	<u>145,455,835</u>
	<u>\$ 201,484,837</u>	<u>170,862,612</u>	<u>145,455,835</u>

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit 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 Pension*. 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 School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 20, 2018, with 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:

Total Nonemployer OPEB Liability \$41,729,081,045

Inflation rate 2.50%

NOTE 5: Post-Retirement Benefits (Continued)

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 – 3.05% based on service years	2.00% - 6.00% based on service years	3.25% - 15.25% based on service years
Thereafter	1.55 – 3.05% based on service years	3.00% - 7.00% based on service years	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.

(a) 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%.

(b) 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.

NOTE 5: Post-Retirement Benefits (Continued)

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

	Total OPEB Liability
Balances at June 30, 2018	\$ 131,902,446
Changes for the Year:	
Service Cost	4,791,395
Interest	5,223,132
Difference Between Expected and Actual Experience	(22,957,637)
Changes in Assumptions or Other Inputs	1,747,693
Benefit Payments	(3,598,167)
Member Contributions	<u>106,660</u>
Balance at June 30, 2019	<u>\$ 117,215,522</u>

There were no changes in benefit terms between the June 30, 2018 measurement date and the June 30, 2019 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 138,477,854</u>	<u>117,215,522</u>	<u>100,325,894</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 96,580,367</u>	<u>117,215,522</u>	<u>144,532,234</u>

NOTE 5: Post-Retirement Benefits (Continued)

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

For the year ended June 30, 2019, the Board of Education recognized OPEB expense of \$2,393,627 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Lawrence Township Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$	29,451,899
Changes in Proportion		3,076,833
Changes of Assumptions or Other Inputs	_____	<u>23,824,318</u>
Total	<u>\$</u>	<u>56,353,050</u>

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

Year Ended June 30:	
2021	\$ (6,629,771)
2022	(6,629,771)
2023	(6,629,771)
2024	(6,629,771)
2025	(6,629,771)
Thereafter	<u>(23,204,195)</u>
	<u>\$ 56,353,050</u>

NOTE 6: Deferred Compensation

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

Equitable
Lincoln
Met Life
Valic
Legend

NOTE 7: Risk Management

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

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

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

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2019-2020	\$ 100,000	0	0	612,424
2018-2019	0	0	0	512,424
2017-2018	0	0	43,363	512,424

NOTE 8: Capital Reserve Account

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

NOTE 8: Capital Reserve Account (Continued)

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

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

Beginning Balance, July 1, 2019		\$ 2,219,581
Deposits:		
Interest	3,000	
Budgeted Deposit	1,042,803	
Return of Funds From Various Projects	923,396	
Deposit by Resolution June, 2020	<u>500,000</u>	
		<u>2,469,199</u>
		4,688,780
Withdrawals:		
Budgeted		<u>(1,296,875)</u>
Ending Balance, June 30, 2020		<u>\$ 3,391,905</u>

NOTE 9: Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Capital Projects	\$	395,347
Debt Service Fund	<u>395,347</u>	<u> </u>
	<u>\$ 395,347</u>	<u>395,347</u>

The interfund due to the Debt Service Fund was due to interest earned in the Capital Projects Fund. It is expected this loan will be paid within one year.

NOTE 10: Fund Balance Appropriated

General Fund – Of the \$9,884,429 General Fund fund balance at June 30, 2020, \$1,861,182 is reserved for encumbrances; \$925,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$3,391,905 is in Capital Reserve, \$485,000 is in Emergency Reserve, \$963,478 is in Maintenance Reserve; \$2,139,334 is unreserved and undesignated; and \$118,530 is excess surplus – current year.

NOTE 11: Calculation of Excess Surplus

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

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2020-2021 budget and expended there from.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Lawrence Township at June 30, 2020 had excess surplus of \$118,530 (see calculation below).

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

The calculation of reserved excess surplus is as follows:

2% Calculation of Excess Surplus

2019-20 Total General Fund Expenditures Per the CAFR	\$ 83,554,152
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(11,009,035)</u>
Adjusted 2019-20 General Fund Expenditures	<u>\$ 72,545,117</u>
2% of Adjusted 2019-20 General Fund Expenditures	\$ 1,450,902
Increased by: Allowable Adjustment	<u>688,432</u>
Maximum Unassigned Fund Balance	<u>\$ 2,139,334</u>
<u>Section 2</u>	
Total General Fund – Fund Balance @ 6-30-20	\$ 9,884,429
Decreased by:	
Reserved for Encumbrances	(1,861,182)
Designated for Subsequent Year's Expenditures – BOE	(925,000)
Other Reserves	<u>(4,840,383)</u>
Total Unassigned Fund Balance	<u>\$ 2,257,864</u>
Excess Surplus	<u>\$ 118,530</u>

NOTE 11: Calculation of Excess Surplus (Continued)**Section 3**

Excess Surplus – Current Year	\$ 118,530
Designated for Subsequent Years Expenditures – Excess Surplus	<u>0</u>
	<u>\$ 118,530</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$ 654,633
Non-Public Transportation Aid	<u>33,799</u>
	<u>\$ 688,432</u>

Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 963,478
Emergency Reserve	485,000
Capital Reserve	<u>3,391,905</u>
Total Other Restricted Fund Balance	<u>\$ 4,840,383</u>

NOTE 12: Section 125 IRS Code (Cafeteria Plan)

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

NOTE 13: Contingent Liabilities

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

NOTE 14: Economic Dependency

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

NOTE 15: Current Expense Emergency Reserve Account

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

NOTE 16: COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread to other countries, including the United States, and to each state within the United States, including New Jersey, has been declared a Public Health Emergency of International Concern by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State has likewise declared a state of emergency. While the potential impact on the State cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the finances of the State and the Board of Education (collectively, the "Affected Entities").

The degree of any such impact to the Affected Entities' respective operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Affected Entities and their respective economies.

NOTE 17: Subsequent Event

On November 16, 2020, the Board of Education issued refunding bonds to partially refund the remaining bonds on the 2011 refunding issue. The bonds are in the amount of \$4,730,000 at an interest rate of 0.696% maturing on March 1, 2023.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES - C -

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 68,278,342		68,278,342	68,278,342	-
Tuition	30,000		30,000	41,607	11,607
Interest on Investments			-	146,078	146,078
Interest on Capital Reserve	3,000		3,000	3,000	-
Miscellaneous	275,000		275,000	635,350	360,350
Total Local Sources	<u>68,586,342</u>	<u>-</u>	<u>68,586,342</u>	<u>69,104,377</u>	<u>518,035</u>
State Sources:					
Special Education Aid	2,695,812		2,695,812	2,695,812	-
Security Aid	421,512		421,512	421,512	-
Transportation Aid	1,102,884		1,102,884	1,102,884	-
Extraordinary Aid			-	654,633	654,633
Non Public Transportation Aid			-	33,799	33,799
On Behalf TPAF Pension Contributions (Non-Budgeted)			-	8,666,465	8,666,465
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,342,570	2,342,570
Total State Sources	<u>4,220,208</u>	<u>-</u>	<u>4,220,208</u>	<u>15,917,675</u>	<u>11,697,467</u>
Federal Sources:					
Medicaid Reimbursement	47,332		47,332	30,335	(16,997)
Total Federal Sources	<u>47,332</u>	<u>-</u>	<u>47,332</u>	<u>30,335</u>	<u>(16,997)</u>
Total Revenues	<u>72,853,882</u>	<u>-</u>	<u>72,853,882</u>	<u>85,052,387</u>	<u>12,198,505</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool	490,946	106,071	597,017	597,016	1
Kindergarten-Salaries of Teachers	1,006,708	50,488	1,057,196	1,057,196	-
Grades 1-5-Salaries of Teachers	6,571,773	(203,552)	6,368,221	6,238,445	129,776
Grades 6-8-Salaries of Teachers	4,069,240	(103,455)	3,965,785	3,921,416	44,369
Grades 9-12-Salaries of Teachers	5,967,365	(36,571)	5,930,794	5,829,450	101,344
Regular Programs Undistributed - Instruction:					
Other Salaries for Instruction	713,424	2,498	715,922	704,802	11,120
Purchased Professional/Educational Services	66,300	11,582	77,882	62,782	15,100
Other Purchased Services	104,538	(20,822)	83,716	72,095	11,621
General Supplies	1,235,651	140,554	1,376,205	1,284,176	92,029
Textbooks	144,274	(7,978)	136,296	136,296	-
Other Objects	26,844	820	27,664	25,597	2,067
Home Instruction:					
Teachers Salaries	21,000	9,703	30,703	30,703	-
Purchased Professional/Educational Services	30,000	8,853	38,853	34,977	3,876
Total Regular Programs - Instruction	<u>20,448,063</u>	<u>(41,809)</u>	<u>20,406,254</u>	<u>19,994,951</u>	<u>411,303</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Behavioral Disabilities:					
Salaries of Teachers	121,612	33,181	154,793	154,793	-
Other Salaries For Instruction	129,980	(2,453)	127,527	127,527	-
Purchased Professional Education Services		29,930	29,930	2,245	27,685
General Supplies	530	1,127	1,657	1,657	-
Total Behavioral Disabilities	<u>252,122</u>	<u>61,785</u>	<u>313,907</u>	<u>286,222</u>	<u>27,685</u>
Multiple Disabilities:					
Salaries of Teachers	1,048,717	99,057	1,147,774	1,147,734	40
Other Salaries for Instruction	499,868	124,829	624,697	624,171	526
General Supplies	11,223	4,681	15,904	15,231	673
Total Multiple Disabilities	<u>1,559,808</u>	<u>228,567</u>	<u>1,788,375</u>	<u>1,787,136</u>	<u>1,239</u>
Resource Room/Resource Center:					
Salaries of Teachers	3,881,457	105,261	3,986,718	3,876,517	110,201
Other Salaries for Instruction	851,381	(72,969)	778,412	768,098	10,314
Purchased Professional Educational Services		8,285	8,285	8,285	-
General Supplies	9,433	6,028	15,461	14,520	941
Total Resource Room/Resource Center	<u>4,742,271</u>	<u>46,605</u>	<u>4,788,876</u>	<u>4,667,420</u>	<u>121,456</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	20,680	(5,502)	15,178	15,178	-
Other Salaries for Instruction	21,600	4,110	25,710	25,710	-
General Supplies	1,050	(103)	947	947	-
Total Preschool Handicapped	<u>43,330</u>	<u>(1,495)</u>	<u>41,835</u>	<u>41,835</u>	<u>-</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities-Full Time					
Salaries of Teachers	273,284	723	274,007	274,007	-
Other Salaries for Instruction	245,245	10,165	255,410	255,410	-
General Supplies	6,650	2,613	9,263	8,377	886
Total Preschool Handicapped	<u>525,179</u>	<u>13,501</u>	<u>538,680</u>	<u>537,794</u>	<u>886</u>
Total Special Education	<u>7,122,710</u>	<u>348,963</u>	<u>7,471,673</u>	<u>7,320,407</u>	<u>151,266</u>
Academic Support Instruction:					
Salaries of Teachers	1,759,661	(15,959)	1,743,702	1,705,049	38,653
General Supplies	19,507	(13,578)	5,929	5,905	24
Total Academic Support Instruction	<u>1,779,168</u>	<u>(29,537)</u>	<u>1,749,631</u>	<u>1,710,954</u>	<u>38,677</u>
Bilingual Education:					
Salaries of Teachers	504,163	5,484	509,647	468,038	41,609
General Supplies	14,675	(9,578)	5,097	5,097	-
Total Bilingual Education	<u>518,838</u>	<u>(4,094)</u>	<u>514,744</u>	<u>473,135</u>	<u>41,609</u>
School Sponsored Co-Curricular Activities:					
Salaries	147,035	5,530	152,565	149,722	2,843
Other Purchased Services	33,930	(14,665)	19,265	13,170	6,095
Supplies and Materials	33,855	1,403	35,258	25,898	9,360
Other Objects	21,320	(14,016)	7,304	5,675	1,629
Total School Sponsored Co-Curricular Activities	<u>236,140</u>	<u>(21,748)</u>	<u>214,392</u>	<u>194,465</u>	<u>19,927</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School Sponsored Athletics:					
Salaries	639,071	6,175	645,246	645,039	207
Salaries of Secretarial & Clerical	50,140		50,140	50,140	-
Other Purchased Professional Services	7,000	1,350	8,350	4,525	3,825
Other Purchased Technical Services	81,804	(34,188)	47,616	47,324	292
Other Purchased Services	48,645	(19,312)	29,333	26,668	2,665
Supplies and Materials	113,525	7,461	120,986	116,868	4,118
Other Objects	10,595	(1,835)	8,760	8,610	150
Total School Sponsored Athletics	<u>950,780</u>	<u>(40,349)</u>	<u>910,431</u>	<u>899,174</u>	<u>11,257</u>
After School Programs:					
Salaries of Teachers	86,443	(390)	86,053	52,947	33,106
Other Salaries for Instruction	24,097	29,235	53,332	45,901	7,431
Purchased Professional Education Services	54,126		54,126	36,535	17,591
Supplies and Materials	9,400	(7,319)	2,081	1,820	261
Total After School Programs	<u>174,066</u>	<u>21,526</u>	<u>195,592</u>	<u>137,203</u>	<u>58,389</u>
Summer School Programs:					
Salaries of Teachers	26,715	(3,408)	23,307	23,307	-
Total Summer School Programs	<u>26,715</u>	<u>(3,408)</u>	<u>23,307</u>	<u>23,307</u>	<u>-</u>
Total Instruction	<u>31,256,480</u>	<u>229,544</u>	<u>31,486,024</u>	<u>30,753,596</u>	<u>732,428</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - Regular	93,600	21,625	115,225	114,609	616
Tuition to Other LEA's - Special	101,405	(25,877)	75,528	75,528	-
Tuition to County Special Services - Regular	59,300	(6,290)	53,010	53,010	-
Tuition to County Special Services - Special	61,200		61,200	61,200	-
Tuition to CSSD & Regular Day Schools	1,976,070	(252,168)	1,723,902	1,694,791	29,111
Tuition to Private Schools - Within State	1,886,138	(152,485)	1,733,653	1,714,918	18,735
Tuition to Private Schools - Outside State	58,320	(4,320)	54,000	54,000	-
Tuition - State Facilities	155,758		155,758	155,758	-
Total Instruction	<u>4,391,791</u>	<u>(419,515)</u>	<u>3,972,276</u>	<u>3,923,814</u>	<u>48,462</u>
Attendance & Social Work Services:					
Salaries	283,308	(1,798)	281,510	277,312	4,198
Purchased Technical Services	29,750	(540)	29,210	29,210	-
Supplies and Materials	250	(104)	146	146	-
Total Attendance & Social Work Services	<u>313,308</u>	<u>(2,442)</u>	<u>310,866</u>	<u>306,668</u>	<u>4,198</u>
Health Services:					
Salaries	791,265	(30,831)	760,434	760,434	-
Purchased Professional and Technical Services	35,000	(35,000)	-	-	-
Other Purchased Services	44,185	26,400	70,585	51,215	19,370
Supplies and Materials	33,564	(8,142)	25,422	21,019	4,403
Total Health Services	<u>904,014</u>	<u>(47,573)</u>	<u>856,441</u>	<u>832,668</u>	<u>23,773</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services - Students - Related:					
Salaries	1,223,812	48,540	1,272,352	1,272,049	303
Purchased Professional Educational Services	448,117	(213,804)	234,313	133,688	100,625
Supplies and Materials	7,000	(2,583)	4,417	4,402	15
Total Other Support Services - Student - Related	<u>1,678,929</u>	<u>(167,847)</u>	<u>1,511,082</u>	<u>1,410,139</u>	<u>100,943</u>
Other Support Services - Extraordinary:					
Salaries	<u>365,066</u>	<u>103,754</u>	<u>468,820</u>	<u>468,820</u>	<u>-</u>
Total Other Support Services - Extraordinary	<u>365,066</u>	<u>103,754</u>	<u>468,820</u>	<u>468,820</u>	<u>-</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	1,295,214	6,678	1,301,892	1,301,892	-
Salaries - Secretarial and Clerical	248,471		248,471	248,471	-
Other Salaries for Instruction	950		950		950
Purchased Professional Educational Services		190,000	190,000	190,000	-
Other Purchased Services	5,350	6,111	11,461	2,461	9,000
Supplies and Materials	16,900	3,037	19,937	19,457	480
Total Other Support Services - Students - Regular	<u>1,566,885</u>	<u>205,826</u>	<u>1,772,711</u>	<u>1,762,281</u>	<u>10,430</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	1,824,920	(22,277)	1,802,643	1,802,642	1
Salaries - Secretarial & Clerical	141,400	805	142,205	142,116	89
Purchased Professional Educational Services	500	1,449	1,949	1,949	-
Supplies & Materials	16,900	36,417	53,317	52,407	910
Other Purchased Services		24,189	24,189		24,189
Total Other Support Services - Students - Special	<u>1,983,720</u>	<u>40,583</u>	<u>2,024,303</u>	<u>1,999,114</u>	<u>25,189</u>
Improvement of Instructional Services:					
Salaries - Supervisors of Instruction	1,136,539	(102,375)	1,034,164	1,033,571	593
Salaries - Other Professional Staff	51,260	(37,506)	13,754	13,753	1
Salaries - Secretarial & Clerical	172,472		172,472	172,310	162
Vacation Payout		20,326	20,326	20,326	-
Purchased Professional Educational Services	1,000	(600)	400	400	-
Other Purchased Services	8,100	1,244	9,344	8,391	953
Supplies and Materials	14,550	(6,328)	8,222	7,598	624
Other Objects		1,134	1,134	1,134	-
Miscellaneous	14,350	(4,636)	9,714	9,714	-
Total Improvement of Instructional Services	<u>1,398,271</u>	<u>(128,741)</u>	<u>1,269,530</u>	<u>1,267,197</u>	<u>2,333</u>
Educational Media Services/School Library:					
Salaries	668,213	(5,946)	662,267	662,265	2
Other Salaries for Instruction	9,204	(1,331)	7,873	7,863	10
Salaries of Technology Coordinators	125,558		125,558	125,365	193
Purchased Professional and Technical Services	42,420	(16,479)	25,941	21,943	3,998
Purchased Professional Educational Services	10,440	(74)	10,366	6,015	4,351
Other Purchased Services	4,000	(2,480)	1,520	1,520	-
Supplies and Materials	117,819	920	118,739	112,315	6,424
Total Educational Media Srvs/School Library	<u>977,654</u>	<u>(25,390)</u>	<u>952,264</u>	<u>937,286</u>	<u>14,978</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Instructional Staff Training Services:					
Other Salaries	12,397	6,757	19,154	13,567	5,587
Purchased Professional/Educational Services	34,281	3,690	37,971	33,165	4,806
Other Purchased Services	30,875	(3,821)	27,054	25,053	2,001
Supplies and Materials	9,150	(2,965)	6,185	3,736	2,449
Other Objects	5,000	(1,381)	3,619	3,619	-
Total Instructional Staff Training Services	<u>91,703</u>	<u>2,280</u>	<u>93,983</u>	<u>79,140</u>	<u>14,843</u>
Support Services - General Administration:					
Salaries	356,778	23,546	380,324	380,324	-
Legal Services	120,000	9,737	129,737	115,618	14,119
Audit Services	22,000	700	22,700	22,700	-
Purchased Professional Services		3,290	3,290	3,031	259
Communications - Telephone	81,453	(8,073)	73,380	71,116	2,264
Other Purchased Services	212,217	14,072	226,289	224,658	1,631
General Supplies	1,750	1,803	3,553	2,672	881
BOE - Supplies	4,500	(1,429)	3,071	2,545	526
Other Objects	2,410	(400)	2,010	1,515	495
Miscellaneous	8,700	(3,000)	5,700	5,287	413
BOE - Membership Dues and Fees	27,000	70,725	97,725	26,663	71,062
Total Support Services - General Administration	<u>836,808</u>	<u>110,971</u>	<u>947,779</u>	<u>856,129</u>	<u>91,650</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - School Administration:					
Salaries Principals/Assistant Principals	1,599,754	74,686	1,674,440	1,674,390	50
Salaries - Secretarial and Clerical	703,210		703,210	702,777	433
Vacation Payout		35,106	35,106	35,106	-
Purchased Professional & Technical Services	500	(500)	-	-	-
Other Purchased Services	15,203	3,243	18,446	14,837	3,609
Supplies and Materials	13,210	14,407	27,617	26,703	914
Other Objects	12,600	3,914	16,514	16,471	43
Total Support Services - School Administration	<u>2,344,477</u>	<u>130,856</u>	<u>2,475,333</u>	<u>2,470,284</u>	<u>5,049</u>
Support Services - Central Services:					
Salaries	970,213	(3,958)	966,255	966,255	-
Vacation Payout		28,560	28,560	28,560	-
Purchased Technical Services	14,607	3,416	18,023	17,893	130
Other Purchased Services	33,025	(1,188)	31,837	31,427	410
Supplies and Materials	13,762	(109)	13,653	9,589	4,064
Purchased Services			-	-	-
Miscellaneous Expenditures	6,720	(195)	6,525	6,525	-
Total Support Services - Central Services	<u>1,038,327</u>	<u>26,526</u>	<u>1,064,853</u>	<u>1,060,249</u>	<u>4,604</u>
Support Services - Technology Services:					
Salaries	146,916	25,072	171,988	171,586	402
Salaries of Secretarial & Clerical Assistants	49,914		49,914	49,865	49
Purchased Technical Services	50,891		50,891	50,768	123
Other Purchased Services	31,210	6,823	38,033	29,176	8,857
Supplies and Materials	93,670	28,821	122,491	118,065	4,426
Other Objects	200		200		200
Total Support Services - Technology Services	<u>372,801</u>	<u>60,716</u>	<u>433,517</u>	<u>419,460</u>	<u>14,057</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Allowance Maintenance for School Facilities:					
Salaries		16,388	16,388	16,388	-
Cleaning, Repair & Maintenance Services	266,335	1,074,161	1,340,496	1,001,175	339,321
General Supplies	150,203	56,396	206,599	192,723	13,876
Total Allowance Maint. For School Facilities	<u>416,538</u>	<u>1,146,945</u>	<u>1,563,483</u>	<u>1,210,286</u>	<u>353,197</u>
Operations and Maintenance of Plant Services:					
Salaries	1,706,450	(96,213)	1,610,237	1,603,195	7,042
Salaries for Secretarial & Clerical	63,658		63,658	63,596	62
Salaries - Other	1,542,816	(100,454)	1,442,362	1,441,928	434
Vacation Payout		30,048	30,048	30,048	-
Purchased Professional Education Services		2,500	2,500		2,500
Cleaning, Repair & Maintenance Services	474,388	189,220	663,608	615,189	48,419
Other Purchased Property Services	147,194	33,897	181,091	144,535	36,556
Insurance	316,388	33,141	349,529	348,466	1,063
Other Purchased Services	2,000	(600)	1,400	1,284	116
General Supplies	242,104	99,595	341,699	234,992	106,707
Energy (Electric)	680,000	(159,600)	520,400	450,901	69,499
Energy (Natural Gas)	440,000	(136,669)	303,331	287,268	16,063
Energy (Gasoline)	13,000	7,039	20,039	12,376	7,663
Other Objects	9,340	(4,805)	4,535	4,503	32
Total Operations and Maint. of Plant Services	<u>5,637,338</u>	<u>(102,901)</u>	<u>5,534,437</u>	<u>5,238,281</u>	<u>296,156</u>
Maintenance of Grounds:					
Cleaning, Repair and Maintenance	111,800	(15,947)	95,853	87,063	8,790
Total Grounds	<u>111,800</u>	<u>(15,947)</u>	<u>95,853</u>	<u>87,063</u>	<u>8,790</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Security:					
Salaries	2,200	(1,890)	310	206	104
Other Salaries for Instruction	27,000	(23,192)	3,808	3,808	-
Other Salaries	380,143	73,081	453,224	452,576	648
Purchased Technical Services	156,716	(32,546)	124,170	109,356	14,814
Purchased Services		75	75	75	-
Supplies and Materials	13,315	101,737	115,052	13,365	101,687
Total Security	<u>579,374</u>	<u>117,265</u>	<u>696,639</u>	<u>579,386</u>	<u>117,253</u>
Student Transportation Services:					
Salaries - Non Instructional Aides	189,193	47,100	236,293	228,194	8,099
Salaries for Pupil Trans. (Home/School - Reg.)	200,225	5,610	205,835	192,457	13,378
Salaries for Pupil Trans. (Home/School - Sp. Ed)	170,722	72,221	242,943	229,345	13,598
Purchased Professional and Technical Services	11,230	17,503	28,733	19,207	9,526
Equipment Repair	46,350	(2,886)	43,464	40,294	3,170
Bus Rental	2,500	14,857	17,357	17,254	103
Aid In Lieu	275,000	27,905	302,905	145,316	157,589
Contracted Services:					
(Home/School) Vendors	1,788,354	(168,314)	1,620,040	1,474,045	145,995
(Other Than Home/School) Vendors	232,486	(81,179)	151,307	137,949	13,358
(Special Education) Vendors	733,582	126,588	860,170	650,465	209,705
(Special Education) Joint Agreements	93,052	27,253	120,305	80,286	40,019
(Special Education) - ECSs & CTAs	326,162	(52,433)	273,729	159,999	113,730
Miscellaneous Purchased Services	1,875	46,422	48,297	6,089	42,208
Supplies and Materials	15,000	23,204	38,204	21,351	16,853
Miscellaneous	1,330	(465)	865	863	2
Total Transportation Services	<u>4,087,061</u>	<u>103,386</u>	<u>4,190,447</u>	<u>3,403,114</u>	<u>787,333</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 13 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	1,150,720	(82,708)	1,068,012	1,057,276	10,736
Social Security Contributions-TPAF	75,360	2,554	77,914	77,873	41
Other Retirement Contributions- PERS	981,943	5,492	987,435	970,535	16,900
DCRP	60,109	7,443	67,552	58,190	9,362
Unemployment Compensation		100,000	100,000	100,000	-
Workmen's Compensation	408,559	(20,157)	388,402	385,099	3,303
Health Benefits	9,760,911	(336,355)	9,424,556	9,418,062	6,494
Tuition Reimbursements	104,000	(3,381)	100,619	93,000	7,619
Sick Leave Payout	200,000	116,015	316,015	316,015	-
Other Employee Benefits	537,498	25,610	563,108	556,347	6,761
Total Unallocated Benefits	<u>13,279,100</u>	<u>(185,487)</u>	<u>13,093,613</u>	<u>13,032,397</u>	<u>61,216</u>
On Behalf TPAF Contributions (Non-Budgeted)			-	8,666,465	(8,666,465)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,342,570	(2,342,570)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,009,035</u>	<u>(11,009,035)</u>
Total Undistributed Expenditures	<u>42,374,965</u>	<u>953,265</u>	<u>43,328,230</u>	<u>52,352,811</u>	<u>(9,024,581)</u>
Total Expenditures - Current Expense	<u>73,631,445</u>	<u>1,182,809</u>	<u>74,814,254</u>	<u>83,106,407</u>	<u>(8,292,153)</u>
Capital Outlay:					
Non-Instructional Equipment		2,752	2,752	2,752	-
Equipment(222)		3,703	3,703	3,703	-
Equipment(252)		4,299	4,299	4,299	-
Equipment (260)		68,780	68,780	33,947	34,833
Equipment(262)		48,162	48,162	13,540	34,622
Instructional Equipment		18,181	18,181	18,181	-
Instructional Equipment (140)		8,820	8,820	8,820	-
Instructional Equipment (402)		6,980	6,980		6,980
School Buses		96,475	96,475		96,475
Total Equipment	<u>-</u>	<u>258,152</u>	<u>258,152</u>	<u>85,242</u>	<u>172,910</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 14 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Facilities Acquisition and Construction Services:					
Purchased Professional Technical Services	99,750	(53,472)	46,278	38,764	7,514
Construction Services	1,147,125	(702,437)	444,688		444,688
Other Objects		880	880	880	-
Miscellaneous	131,864		131,864	131,864	-
Total Facilities Acquisition and Construction Svcs.	<u>1,378,739</u>	<u>(755,029)</u>	<u>623,710</u>	<u>171,508</u>	<u>452,202</u>
 Total Capital Outlay	 <u>1,378,739</u>	 <u>(496,877)</u>	 <u>881,862</u>	 <u>256,750</u>	 <u>625,112</u>
 Transfer to Food Services		75,000	75,000	75,000	
Transfer to Charter Schools	37,573	87,548	125,121	115,995	9,126
 Total Expenditures	 <u>75,047,757</u>	 <u>848,480</u>	 <u>75,896,237</u>	 <u>83,554,152</u>	 <u>(7,657,915)</u>
 Excess (Deficiency) of Revenues Over/(Under) Expenditures	 <u>(2,193,875)</u>	 <u>(848,480)</u>	 <u>(3,042,355)</u>	 <u>1,498,235</u>	 <u>4,540,590</u>
 Fund Balance July 1	 <u>8,386,194</u>		 <u>8,386,194</u>	 <u>8,386,194</u>	
 Fund Balance June 30	 <u>\$ 6,192,319</u>	 <u>(848,480)</u>	 <u>5,343,839</u>	 <u>9,884,429</u>	 <u>4,540,590</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 15 of 15

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Committed Fund Balance:					
Maintenance Reserve				\$ 963,478	
Capital Reserve				3,391,905	
Emergency Reserve				485,000	
Excess Surplus - Current Year				118,530	
Assigned Fund Balance:					
Year End Encumbrances				1,861,182	
Designated For Subsequent Years Expenditures				925,000	
Unassigned Fund Balance				<u>2,139,334</u>	
				9,884,429	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				<u>(262,145)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 9,622,284</u>	

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

Sheet 1 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 912,111		912,111	912,111	
Federal Sources	1,737,466		1,737,466	1,737,466	
Local Sources	840,742		840,742	840,742	
Total Revenues	<u>\$ 3,490,319</u>	<u>-</u>	<u>3,490,319</u>	<u>3,490,319</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 521,286		521,286	521,286	
Other Salaries for Instruction	231,878		231,878	231,878	
Purchased Professional and Technical Services	716,083		716,083	716,083	
Other Purchased Services	1,070,807		1,070,807	1,070,807	
General Supplies	229,141		229,141	229,141	
Textbooks	66,937		66,937	66,937	
Other Objects	4,579		4,579	4,579	
Total Instruction	<u>2,840,711</u>	<u>-</u>	<u>2,840,711</u>	<u>2,840,711</u>	<u>-</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE 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 Final to Actual</u>
Support Services:					
Personal Services - Employee Benefits	202,978		202,978	202,978	
Purchased Professional - Educational Services	142,559		142,559	142,559	
Other Purchased Services	159,418		159,418	159,418	
Supplies and Materials	47,068		47,068	47,068	
Other Objects	4,975		4,975	4,975	
Total Support Services	<u>556,998</u>	<u>-</u>	<u>556,998</u>	<u>556,998</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	2,460		2,460	2,460	
Construction Services	90,150		90,150	90,150	
Total Facilities Acquisition and Construction Services	<u>92,610</u>	<u>-</u>	<u>92,610</u>	<u>92,610</u>	<u>-</u>
Total Expenditures	<u>\$ 3,490,319</u>	<u>-</u>	<u>3,490,319</u>	<u>3,490,319</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE TOWNSHIP SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 85,052,387	3,490,319
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(38,359)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	161,287	13,200
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(262,145)</u>	<u>(13,200)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 84,951,529</u>	<u>3,451,960</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 83,554,152	3,490,319
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(38,359)
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 83,554,152</u>	<u>3,451,960</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit L-1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

LAST SEVEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,811,570	20,930,226	25,349,019	31,789,555	24,768,344	20,722,846	21,039,735
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	-	-	-	-	-	-	-
Total	<u>\$ 19,811,570</u>	<u>20,930,226</u>	<u>25,349,019</u>	<u>31,789,555</u>	<u>24,768,344</u>	<u>20,722,846</u>	<u>21,039,735</u>
District's Covered-Employee Payroll	\$ 8,010,401	7,590,705	7,374,034	7,239,011	7,316,171	7,501,042	7,645,151
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	40.43%	36.27%	29.09%	22.77%	29.54%	36.20%	36.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit L-2

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

LAST SEVEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,052,200	1,072,726	999,094	999,094	933,333	857,919	897,866
Contributions in Relation to the Contractually Required Contribution	<u>1,052,200</u>	<u>1,072,726</u>	<u>999,094</u>	<u>999,094</u>	<u>933,333</u>	<u>857,919</u>	<u>897,866</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 8,010,401	7,590,705	7,374,034	7,239,011	7,316,171	7,501,042	7,645,151
Contributions as a Percentage of Covered-Employee Payroll	13.14%	14.13%	13.55%	13.80%	12.76%	11.44%	11.74%

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit L-3

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

LAST SEVEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>170,862,612</u>	<u>174,159,322</u>	<u>183,149,149</u>	<u>221,848,042</u>	<u>181,236,438</u>	<u>151,832,317</u>	<u>150,174,286</u>
Total	<u>\$ 170,862,612</u>	<u>174,159,322</u>	<u>183,149,149</u>	<u>221,848,042</u>	<u>181,236,438</u>	<u>151,832,317</u>	<u>150,174,286</u>
District's Covered-Employee Payroll	\$ 31,452,092	30,389,056	29,216,982	27,187,973	27,954,184	28,264,648	28,245,728
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	18.41%	17.45%	15.95%	12.26%	15.42%	18.62%	18.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

L-4

This schedule is not applicable.

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

L-5

Public Employee's Retirement System (PERS)

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019, in accordance with Paragraph 44 of GASB Statement No. 67.

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Exhibit M-1

LAST FOUR FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>State's OPEB Liability Attributable to the District</u>				
Service Cost	\$ 4,791,395	5,487,762	6,618,527	*
Interest	5,223,132	5,631,412	4,867,098	*
Benefit Payments	(3,598,167)	(3,527,024)	(3,555,429)	*
Member Contributions	106,660	121,900	130,920	*
Difference between Expected and Actual Experience	(22,957,637)	(14,176,985)		*
Change of Assumptions	<u>1,747,693</u>	<u>(15,136,466)</u>	<u>(20,416,334)</u>	*
Net Change in Total OPEB Liability	(14,686,924)	(21,599,401)	(12,355,218)	*
 Total Attributable OPEB Liability - Beginning	<u>131,902,446</u>	<u>153,501,847</u>	<u>165,857,065</u>	*
 Total Attributable OPEB Liability - Ending	<u>\$ 117,215,522</u>	<u>131,902,446</u>	<u>153,501,847</u>	<u>165,857,065</u>
 District's Covered Payroll	\$ 39,462,493	37,979,761	36,591,016	34,426,984
 District's Contribution	None	None	None	None
 State's Proportionate Share of OPEB Liability as a Percentage of the District's Covered-Employee Payroll	297.03%	347.30%	419.51%	481.76%

* - Information not available

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

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

LAWRENCE SCHOOL DISTRICTNOTES TO REQUIRED SUPPLEMENTARY INFORMATIONFOR THE FISCAL YEAR ENDED JUNE 30, 2020

Exhibit M-2

Change of Benefit Terms

None

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND - E

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Exhibit E-1
Sheet 1 of 3

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>I.D.E.A. Basic</u>	<u>I.D.E.A. Preschool</u>	<u>Title IV</u>	<u>CARES Act</u>	<u>BF Sustainable Jersey</u>	<u>Kindergarten</u>	<u>LTEF Fall</u>
Revenues:											
State Sources	\$ -										
Federal Sources	244,651	68,768	30,906	2,455	1,282,436	29,058	12,735	66,457			
Local Sources									3,300	13,207	50,219
Total Revenues	\$ 244,651	68,768	30,906	2,455	1,282,436	29,058	12,735	66,457	3,300	13,207	50,219
Expenditures:											
Instruction:											
Salaries of Teachers	\$ 208,440	4,536	24,196						3,300		
Other Salaries for Instruction											
Purchased Professional and Technical Svcs.	1,250				243,759						3,876
Other Purchased Services	2,607				1,033,717		3,015				363
General Supplies	13,439		2,396	2,220			1,250	66,457		13,207	26,105
Textbooks											
Other Objects											2,365
Total Instruction	225,736	4,536	26,592	2,220	1,277,476	-	4,265	66,457	3,300	13,207	32,709
Support Services:											
Personnel Services - Employee Benefits	14,701	347	1,851								
Purchased Professional and Technical Svcs.	2,458	41,886			2,500	29,058	4,750				4,456
Other Purchased Services	1,756	17,672	870	235			3,720				
Supplies and Materials		4,327	1,593								13,054
Other Objects											
Total Support Services	18,915	64,232	4,314	235	2,500	29,058	8,470	-	-	-	17,510
Facilities Acquisition and Construction Services:											
Instructional Equipment					2,460						
Construction Services											
Total Facilities Acquisition and Construction Services	-	-	-	-	2,460	-	-	-	-	-	-
Total Expenditures	\$ 244,651	68,768	30,906	2,455	1,282,436	29,058	12,735	66,457	3,300	13,207	50,219

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Exhibit E-1
Sheet 2 of 3

	<u>Non-Public Home Instruction</u>	<u>Non-Public Textbooks</u>	<u>Nursing Services</u>	<u>ESL</u>	<u>Compensatory Education</u>	<u>Non-Public Technology</u>	<u>Corrective Speech</u>	<u>Examination & Classification</u>	<u>Security</u>	<u>Supplementary Instruction</u>
Revenues:										
State Sources	2,247	66,937	225,234	6,452	28,392	46,751	29,894	104,974	199,615	69,615
Federal Sources										
Local Sources										
Total Revenues	<u>2,247</u>	<u>66,937</u>	<u>225,234</u>	<u>6,452</u>	<u>28,392</u>	<u>46,751</u>	<u>29,894</u>	<u>104,974</u>	<u>199,615</u>	<u>69,615</u>
Expenditures:										
Instruction:										
Salaries of Teachers										
Other Salaries for Instruction										
Purchased Professional and Technical Svcs.	2,247		225,234	6,452	28,392		29,894	104,974		69,615
Other Purchased Services										
General Supplies						46,751				
Textbooks		66,937								
Other Objects										
Total Instruction	<u>2,247</u>	<u>66,937</u>	<u>225,234</u>	<u>6,452</u>	<u>28,392</u>	<u>46,751</u>	<u>29,894</u>	<u>104,974</u>	<u>-</u>	<u>69,615</u>
Support Services:										
Personnel Services - Employee Benefits										
Purchased Professional and Technical Svcs.									42,410	
Other Purchased Services									131,125	
Supplies and Materials									26,080	
Other Objects										
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,615</u>	<u>-</u>
Facilities Acquisition and Construction Services:										
Instructional Equipment										
Construction Services										
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,247</u>	<u>66,937</u>	<u>225,234</u>	<u>6,452</u>	<u>28,392</u>	<u>46,751</u>	<u>29,894</u>	<u>104,974</u>	<u>199,615</u>	<u>69,615</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Exhibit E-1
Sheet 3 of 3

	Preschool Education	LTEF Milestone	LTEF BMS	2019 Spring LTEF	2019 Fall LTEF	2018 Spring LTEF	2019 Winter LTEF	TCNJ Ecotch	FY18/19 Asia Grant	NJSBAIG Safety Grant	Totals 2020
Revenues:											
State Sources	132,000										912,111
Federal Sources											1,737,466
Local Sources	571,746	2,000	10,950	13,922	6,707	38,585	90,150	145	9,806	30,005	840,742
Total Revenues	703,746	2,000	10,950	13,922	6,707	38,585	90,150	145	9,806	30,005	3,490,319
Expenditures:											
Instruction:											
Salaries of Teachers	280,814										521,286
Other Salaries for Instruction	231,878										231,878
Purchased Professional and Technical Svcs.						390					716,083
Other Purchased Services				865		235				30,005	1,070,807
General Supplies		2,000		8,273	4,207	35,197		145	7,494		229,141
Textbooks											66,937
Other Objects				2,151		63					4,579
Total Instruction	512,692	2,000	-	11,289	4,207	35,885	-	145	7,494	30,005	2,840,711
Support Services:											
Personnel Services - Employee Benefits	186,079										202,978
Purchased Professional and Technical Svcs.			9,750	791	2,500	2,000					142,559
Other Purchased Services			1,200			700			2,140		159,418
Supplies and Materials				1,842					172		47,068
Other Objects	4,975										4,975
Total Support Services	191,054	-	10,950	2,633	2,500	2,700	-	-	2,312	-	556,998
Facilities Acquisition and Construction Services:											
Instructional Equipment											2,460
Construction Services							90,150				90,150
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	90,150	-	-	-	92,610
Total Expenditures	703,746	2,000	10,950	13,922	6,707	38,585	90,150	145	9,806	30,005	3,490,319

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit E-2

101.

SPECIAL REVENUE FUND

SCHEDULE OF PRESCHOOL EDUCATION AID

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 280,814	280,814	
Other Salaries of Instruction	231,878	231,878	
Total Instruction	<u>512,692</u>	<u>512,692</u>	<u>-</u>
Support Services:			
Employee Benefits	186,079	186,079	
Other Objects	4,975	4,975	
Total Support Services	<u>191,054</u>	<u>191,054</u>	<u>-</u>
Total Expenditures	<u>\$ 703,746</u>	<u>703,746</u>	<u>-</u>

Calculation of Budget & Carryover

Total Revised 2019-20 Preschool Education Aid Allocation	\$ 132,000
Add: Actual PEA Carryover (June 30, 2020)	
Add: Local Tuition	95,144
Add: Transfer from General Fund Budget	<u>476,602</u>
Total Preschool Education Aid Funds Available for 2019-20 Budget	703,746
Less: 2019-20 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>703,746</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	\$ -
Add: June 30, 2020 Unexpended Preschool Education Aid	<u>-</u>
2019-20 Carryover - Preschool Education Aid Program	<u>\$ -</u>
2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-21	<u>\$ -</u>

CAPITAL PROJECTS FUND – F

LAWRENCE TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF PROJECT EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2020

<u>Issue/Project Title</u>	<u>Date</u>	<u>Balance</u>	<u>Bond Proceeds</u>	<u>Transfers</u>	<u>Current Year</u>	<u>Unexpended</u>
	<u>Approved</u>	<u>June 30, 2019</u>			<u>Expended</u>	<u>Balance</u>
Benjamin Franklin - HVAC, Security & Modular Bldg.	8/15/2017	\$ 1,896,649			(1,118,255)	778,394
Lawrence Elementary - HVAC, Security & Modular Bldg.	8/15/2017	1,919,466			(1,083,212)	836,254
Slackwood - HVAC, Security & Modular Bldg.	8/15/2017	2,406,675			(1,030,272)	1,376,403
Eldridge Park-HVAC, Security & Modular Bldg	8/15/2017	2,179,382			(609,151)	1,570,231
Lawrence Intermediate - HVAC, Security & Modular Bldg.	8/15/2017	3,726,250			(1,369,491)	2,356,759
Lawrence Middle School - HVAC, Security & Modular Bldg.	8/15/2017	5,443,816			(2,568,135)	2,875,681
Lawrence High School - HVAC, Security & Modular Bldg.	8/15/2017	4,935,251			(946,297)	3,988,954
Administration & Maintenance Bldg Improvements	8/15/2017	471,615			(42,735)	428,880
		<u>\$ 22,979,104</u>	<u>-</u>	<u>-</u>	<u>(8,767,548)</u>	<u>14,211,556</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-2

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2020Revenue

Interest Earned	\$ 395,347
-----------------	------------

Expenditures

Architect	31,124
Purchased Professional and Technical Services	72,747
Construction Services	8,475,789
Supplies	84,760
Equipment	80,837
Other	22,301
Total Expenditures	<u>8,767,558</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,372,211)
---	-------------

Other Financing Sources (Uses)

Due Debt Service - Interest	<u>(395,347)</u>
Total Other Financing Sources (Uses)	<u>(395,347)</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(8,767,558)
---	-------------

Fund Balance - Beginning	<u>22,979,104</u>
--------------------------	-------------------

Fund Balance - Ending	<u>\$ 14,211,546</u>
-----------------------	----------------------

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3A

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND HVACBEN FRANKLIN ELEMENTARY SCHOOL - PROJECT 31FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ 2,319,821		2,319,821	2,319,821
Total Revenues	<u>2,319,821</u>	<u>-</u>	<u>2,319,821</u>	<u>2,319,821</u>
<u>Expenditures and Other Financing Uses</u>				
Legal Services	5,002		5,002	5,002
Architect	83,905	2,803	86,708	107,329
Purchased Professional and Technical Services	10,998	345	11,343	11,343
Construction Services	286,809	1,097,138	1,383,947	2,147,899
Supplies	5,400	9,500	14,900	10,400
Equipment		6,790	6,790	6,790
Other	31,058	1,679	32,737	31,058
Total Expenditures	<u>423,172</u>	<u>1,118,255</u>	<u>1,541,427</u>	<u>2,319,821</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,896,649</u>	<u>(1,118,255)</u>	<u>778,394</u>	<u>-</u>

Additional Project Information

State Account Number	2580-070-17-3000-4000
Original Authorized Cost	\$ 2,319,821
Revised Authorized Cost	2,319,821
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	18%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3B

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND THE HVACLAWRENCE ELEMENTARY SCHOOL - PROJECT 32FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ 2,106,142		2,106,142	2,106,142
Total Revenues	<u>2,106,142</u>	<u>-</u>	<u>2,106,142</u>	<u>2,106,142</u>
<u>Expenditures and Other Financing Uses</u>				
Legal Services	5,002		5,002	5,002
Architect	83,000	2,755	85,755	95,711
Purchased Professional and Technical Services	10,997	253	11,250	11,250
Construction Services	69,846	1,060,907	1,130,753	1,964,129
Supplies	5,400	9,500	14,900	10,400
Equipment	8,931	6,790	15,721	16,150
Other	3,500	3,007	6,507	3,500
Total Expenditures	<u>186,676</u>	<u>1,083,212</u>	<u>1,269,888</u>	<u>2,106,142</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,919,466</u>	<u>(1,083,212)</u>	<u>836,254</u>	<u>-</u>

Additional Project Information

State Account Number	2580-090-17-1000-3000
Original Authorized Cost	\$ 2,106,142
Revised Authorized Cost	2,106,142
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	9%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3C

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND HVAC

SLACKWOOD ELEMENTARY SCHOOL - PROJECT 33

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ 2,774,456		2,774,456	2,774,456
Total Revenues	<u>2,774,456</u>	<u>-</u>	<u>2,774,456</u>	<u>2,774,456</u>
<u>Expenditures and Other Financing Uses</u>				
Legal Services	5,002		5,002	5,002
Architect	95,165	3,235	98,400	127,965
Purchased Professional and Technical Services	7,038	4,936	11,974	12,038
Construction Services	251,676	1,005,316	1,256,992	2,608,761
Supplies	5,400	8,500	13,900	10,400
Equipment		6,790	6,790	6,790
Other	3,500	1,495	4,995	3,500
Total Expenditures	<u>367,781</u>	<u>1,030,272</u>	<u>1,398,053</u>	<u>2,774,456</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,406,675</u>	<u>(1,030,272)</u>	<u>1,376,403</u>	<u>-</u>

Additional Project Information

State Account Number	2580-100-17-1000-3000
Original Authorized Cost	\$ 2,774,456
Revised Authorized Cost	2,774,456
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	13%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3D

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, MODULAR BLDG AND HVACELDRIDGE PARK ELEMENTARY SCHOOL - PROJECT 34FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ 2,423,978		2,423,978	2,423,978
Total Revenues	<u>2,423,978</u>	<u>-</u>	<u>2,423,978</u>	<u>2,423,978</u>
<u>Expenditures and Other Financing Uses</u>				
Legal Services	5,002		5,002	5,002
Architect	87,877	2,678	90,555	116,732
Purchased Professional and Technical Services	667	4,540	5,207	5,668
Construction Services	142,150	582,214	724,364	2,275,886
Supplies	5,400	11,435	16,835	10,400
Equipment		6,790	6,790	6,790
Other	3,500	1,494	4,994	3,500
Total Expenditures	<u>244,596</u>	<u>609,151</u>	<u>853,747</u>	<u>2,423,978</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,179,382</u>	<u>(609,151)</u>	<u>1,570,231</u>	<u>-</u>

Additional Project Information

State Account Number	2580-080-17-1000-3000
Original Authorized Cost	\$ 2,423,978
Revised Authorized Cost	2,423,978
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	10%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3E

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY AND HVACLAWRENCE INTERMEDIATE SCHOOL - PROJECT 35FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ 3,906,846		3,906,846	3,906,846
Total Revenues	<u>3,906,846</u>	<u>-</u>	<u>3,906,846</u>	<u>3,906,846</u>
<u>Expenditures and Other Financing Uses</u>				
Legal Services	5,002		5,002	5,002
Architect	83,569	4,700	88,269	186,065
Purchased Professional and Technical Services	1,010	3,520	4,530	5,530
Construction Services	58,173	1,322,836	1,381,009	3,665,617
Supplies	19,100	10,206	29,306	24,100
Equipment	9,842	26,734	36,576	16,632
Other	3,900	1,495	5,395	3,900
Total Expenditures	<u>180,596</u>	<u>1,369,491</u>	<u>1,550,087</u>	<u>3,906,846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,726,250</u>	<u>(1,369,491)</u>	<u>2,356,759</u>	<u>-</u>

Additional Project Information

State Account Number	2580-085-17-1000-2000
Original Authorized Cost	\$ 3,906,846
Revised Authorized Cost	3,906,846
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	5%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3F

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY, HVAC AND ELEVATORLAWRENCE MIDDLE SCHOOL - PROJECT 36FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ 5,763,289		5,763,289	5,763,289
Total Revenues	<u>5,763,289</u>	<u>-</u>	<u>5,763,289</u>	<u>5,763,289</u>
<u>Expenditures and Other Financing Uses</u>				
Legal Services	5,359		5,359	5,359
Architect	130,376	5,410	135,786	186,929
Purchased Professional and Technical Services	92,265	58,590	150,855	126,757
Construction Services	79,870	2,476,702	2,556,572	5,420,851
Other Purchased Services	73		73	73
Supplies	5,400	14,000	19,400	10,400
Equipment		11,790	11,790	6,790
Other	6,130	1,643	7,773	6,130
Total Expenditures	<u>319,473</u>	<u>2,568,135</u>	<u>2,887,608</u>	<u>5,763,289</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,443,816</u>	<u>(2,568,135)</u>	<u>2,875,681</u>	<u>-</u>

Additional Project Information

<u>State Account Number</u>	2580-050-17-1000-3000
Original Authorized Cost	\$ 5,763,289
Revised Authorized Cost	5,763,289
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	6%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3G

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISIMPROVEMENTS TO THE SECURITY , HVAC AND ELEVATORLAWRENCE HIGH SCHOOL - PROJECT 37FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ 5,332,519		5,332,519	5,332,519
Total Revenues	<u>5,332,519</u>	<u>-</u>	<u>5,332,519</u>	<u>5,332,519</u>
<u>Expenditures and Other Financing Uses</u>				
Legal Services	5,637		5,637	5,637
Architect	148,504	4,843	153,347	207,863
Purchased Professional and Technical Services	9,225	563	9,788	9,788
Construction Services	210,033	902,640	1,112,673	5,073,090
Other Purchased Services	10,448		10,448	10,448
Supplies	5,400	21,619	27,019	10,888
Equipment		15,153	15,153	6,784
Other	8,021	1,479	9,500	8,021
Total Expenditures	<u>397,268</u>	<u>946,297</u>	<u>1,343,565</u>	<u>5,332,519</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,935,251</u>	<u>(946,297)</u>	<u>3,988,954</u>	<u>-</u>

Additional Project Information

State Account Number	2580-040-17-1000-2000
Original Authorized Cost	\$ 5,332,519
Revised Authorized Cost	5,332,519
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	7%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-3H

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS TO THE ADMINISTRATIVE AND MAINTENANCE BUILDING

PROJECT 39

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Sale of Bonds	\$ 477,949		477,949	477,949
Total Revenues	<u>477,949</u>	<u>-</u>	<u>477,949</u>	<u>477,949</u>
<u>Expenditures and Other Financing Uses</u>				
Architect		4,700	4,700	23,269
Construction Services		28,036	28,036	443,346
Other	6,334	9,999	16,333	11,334
Total Expenditures	<u>6,334</u>	<u>42,735</u>	<u>49,069</u>	<u>477,949</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 471,615</u>	<u>(42,735)</u>	<u>428,880</u>	<u>-</u>

Additional Project Information

State Account Number	2580-001-17-1000
Original Authorized Cost	\$ 477,949
Revised Authorized Cost	477,949
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	1%
Original Target Completion Date	12/31/19
Revised Target Completion Date	12/31/19

PROPRIETARY FUNDS – G

SCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDS

JUNE 30, 2020

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Total 2019</u>
<u>Assets</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 147,925	7,933	120	155,978
Accounts Receivable:				
State	416			416
Federal	26,291			26,291
Inventory	60,721			60,721
Total Current Assets	<u>235,353</u>	<u>7,933</u>	<u>120</u>	<u>243,406</u>
Noncurrent Assets:				
Equipment	893,104			893,104
Accumulated Depreciation	<u>(679,657)</u>			<u>(679,657)</u>
Total Noncurrent Assets	<u>213,447</u>	<u>-</u>	<u>-</u>	<u>213,447</u>
Total Assets	<u>\$ 448,800</u>	<u>7,933</u>	<u>120</u>	<u>456,853</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable	\$ 18,692			18,692
Total Liabilities	<u>\$ 18,692</u>	<u>-</u>	<u>-</u>	<u>18,692</u>
<u>Net Position</u>				
Investment in Capital Assets	\$ 213,447			213,447
Unrestricted	216,661	7,933	120	224,714
Total Net Position	<u>\$ 430,108</u>	<u>7,933</u>	<u>120</u>	<u>438,161</u>

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2020

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Total 2020</u>
Operating Revenues:				
Local Sources:				
Daily Sales Reimbursable Programs:				
School Lunch Program	\$ 405,403			405,403
Daily Sales Non-Reimbursable Programs	248,472			248,472
Fees		3,974	20	3,994
Total Operating Revenues	<u>653,875</u>	<u>3,974</u>	<u>20</u>	<u>657,869</u>
Operating Expenses:				
Salaries & Benefits	434,296			434,296
Supplies and Materials	63,115			63,115
Repairs	23,701			23,701
Miscellaneous	56,982	3,545		60,527
Cost of Sales - Reimbursable Programs	320,043			320,043
Cost of Sales - Non Reimbursable Programs	205,066			205,066
Depreciation	47,445			47,445
Management Fee	35,360			35,360
Total Operating Expenses	<u>1,186,008</u>	<u>3,545</u>	<u>-</u>	<u>1,189,553</u>
Operating Income (Loss)	<u>(532,133)</u>	<u>429</u>	<u>20</u>	<u>(531,684)</u>
Non-Operating Revenues:				
Board Subsidy	75,000			75,000
State Sources:				
State School Lunch Program	11,756			11,756
Federal Sources:				
National School Lunch Program	397,753			397,753
HHFKA Lunch Program	15,702			15,702
School Breakfast Program	28,266			28,266
Commodities	54,795			54,795
Total Non-Operating Revenues	<u>583,272</u>	<u>-</u>	<u>-</u>	<u>583,272</u>
Net Income (Loss)	51,139	429	20	51,588
Net Position, July 1	<u>378,969</u>	<u>7,504</u>	<u>100</u>	<u>386,573</u>
Net Position, June 30	<u>\$ 430,108</u>	<u>7,933</u>	<u>120</u>	<u>438,161</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit G-3

SCHEDULE OF CASH FLOWS

ENTERPRISE FUNDS

JUNE 30, 2020

	<u>Food Services</u>	<u>Driver's Education</u>	<u>Community</u>	<u>Total 2020</u>
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ (532,133)	429	20	(531,684)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	47,445			47,445
Commodities	54,795			54,795
Change in Assets and Liabilities				
Decrease/(Increase) in Inventory	(26,073)			(26,073)
(Increase)/Decrease in Accounts Receivable	81,820			81,820
Increase/(Decrease) in Accounts Payable	(218,382)			(218,382)
Net Cash Used By Operating Activities	<u>(592,528)</u>	<u>429</u>	<u>20</u>	<u>(592,079)</u>
Cash Flows from Noncapital Financing Activities:				
Cash Received From Board Subsidy	75,000			75,000
Cash Received From State and Federal Reimbursements	453,477			453,477
Net Cash Provided Noncapital Financing Activities:	<u>528,477</u>	<u>-</u>	<u>-</u>	<u>528,477</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(64,051)	429	20	(63,602)
Cash and Cash Equivalents, July 1	<u>211,976</u>	<u>7,504</u>	<u>100</u>	<u>219,580</u>
Cash and Cash Equivalents, June 30	<u>\$ 147,925</u>	<u>7,933</u>	<u>120</u>	<u>155,978</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

Exhibit G-4

INTERNAL SERVICE FUNDS

JUNE 30, 2020

	<u>Medical Claims</u>	<u>Total</u>
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	<u>\$ 540,000</u>	<u>540,000</u>
Total Assets	<u><u>\$ 540,000</u></u>	<u><u>540,000</u></u>
<u>Liabilities</u>		
Deposits Payable - Employee Benefits	<u>\$ 540,000</u>	<u>540,000</u>
Total Liabilities	<u><u>\$ 540,000</u></u>	<u><u>540,000</u></u>
<u>Net Position</u>		
Restricted - Medical Claims	<u>\$ -</u>	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>	<u><u>-</u></u>

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

COMBINING STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2020

	<u>Medical Claims</u>	<u>Total</u>
Operating Revenues:		
Contributions:		
General Fund	\$ 540,000	540,000
Total Operating Revenues	<u>540,000</u>	<u>540,000</u>
Operating Expenses:		
Deposits Payable	540,000	540,000
Total Operating Expenses	<u>540,000</u>	<u>540,000</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>
Total Net Position - Ending	<u>\$ -</u>	<u>-</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

JUNE 30, 2020

	<u>Medical Claims</u>	<u>Total</u>
Cash Flows from Operating Activities:		
Deposits Payable - Employee Benefits	<u>\$ (540,000)</u>	<u>(540,000)</u>
Cash Flows from Capital and Related Financing Activities:		
Change in Capital Contributions	<u>540,000</u>	<u>540,000</u>
Net Cash Provided by (Used For) Capital and Related Financing Activities	<u>540,000</u>	<u>540,000</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	<u>-</u>	<u>-</u>
Net Cash Used By Operating Activities	<u><u>\$ -</u></u>	<u><u>-</u></u>

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

FIDUCIARY FUND – H

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2020

	<u>Scholarship Fund Non-Expendable Trust Fund</u>	<u>Payroll Agency</u>	<u>Student Activity</u>	<u>Summer Savings</u>	<u>Payroll Agency Summer</u>	<u>Unemployment Compensation Expendable Trust</u>	<u>Total 2020</u>
Assets:							
Cash and Cash Equivalents	\$ 31,674	59,441	190,802	1,686,715	6,842	612,424	2,587,898
Total Assets	31,674	59,441	190,802	1,686,715	6,842	612,424	2,587,898
Liabilities and Fund Balances:							
Liabilities:							
Accrued Salaries - Summer Savings				1,686,715	6,842		1,693,557
Payroll Withholdings		59,441					59,441
Due to Student Groups			190,802				190,802
Total Liabilities		59,441	190,802	1,686,715	6,842	-	1,943,800
Net Position:							
Reserved - Scholarships	31,674						31,674
Reserved - Unemployment Benefits						612,424	612,424
Total Net Position	\$ 31,674					612,424	644,098

LAWRENCE TOWNSHIP SCHOOL DISTRICTEXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGESIN FIDUCIARY NET POSITIONJUNE 30, 2020

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 1,100	100,000	101,100
Total Additions	<u>1,100</u>	<u>100,000</u>	<u>101,100</u>
Deductions:			
Scholarship Payments	2,400		2,400
Total Deductions	<u>2,400</u>	<u>-</u>	<u>2,400</u>
Change in Net Position	(1,300)	100,000	98,700
Net Position, July 1	<u>32,974</u>	<u>512,424</u>	<u>545,398</u>
Net Position, June 30	<u>\$ 31,674</u>	<u>612,424</u>	<u>644,098</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Elementary Schools</u>				
Benjamin Franklin	\$ 1,422	4,000	1,415	4,007
Eldridge Park	1,660	8,000	2,148	7,512
Lawrenceville	836	6,207	3,744	3,299
Slackwood	1,941	4,580	2,931	3,590
Total Elementary Schools	<u>5,859</u>	<u>22,787</u>	<u>10,238</u>	<u>18,408</u>
<u>Junior High Schools</u>				
Lawrence Intermediate	8,456	5,951	3,735	10,672
Lawrence Middle	52,613	42,103	40,414	54,302
Total Junior High Schools	<u>61,069</u>	<u>48,054</u>	<u>44,149</u>	<u>64,974</u>
<u>Senior High Schools</u>				
Lawrence High	106,473	144,097	143,150	107,420
Total Senior High Schools	<u>106,473</u>	<u>144,097</u>	<u>143,150</u>	<u>107,420</u>
Total - All Schools	<u>\$ 173,401</u>	<u>214,938</u>	<u>197,537</u>	<u>190,802</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
Assets:				
Cash and Cash Equivalents	\$ 110,319	52,556,921	52,607,799	59,441
Total Assets	<u>\$ 110,319</u>	<u>52,556,921</u>	<u>52,607,799</u>	<u>59,441</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 110,319	52,556,921	52,607,799	59,441
Total Liabilities	<u>\$ 110,319</u>	<u>52,556,921</u>	<u>52,607,799</u>	<u>59,441</u>

SUMMER SAVINGSSCHEDULE OF RECEIPTS AND DISBURSEMENTS

Exhibit H-5

JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
Assets:				
Cash and Cash Equivalents	\$ 1,602,373	1,686,715	1,602,373	1,686,715
Total Assets	<u>\$ 1,602,373</u>	<u>1,686,715</u>	<u>1,602,373</u>	<u>1,686,715</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 1,586,520	1,686,715	1,602,373	1,670,862
Total Liabilities	<u>\$ 1,586,520</u>	<u>1,686,715</u>	<u>1,602,373</u>	<u>1,670,862</u>

LONG-TERM DEBT – I

LAWRENCE TOWNSHIP SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2020

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
2011 Refunding Issue	3/1/2012	\$18,450,000	3/1/2021	2,120,000	4.00%	\$ 8,735,000		2,035,000	6,700,000
			3/1/2022	2,230,000					
			3/1/2023	2,350,000					
2015 Refunding Issue	11/17/2015	6,435,000	7/15/2020	565,000	5.00%	6,435,000		545,000	5,890,000
			7/15/2021	585,000	2.00%				
			7/15/2022	595,000	2.50%				
			7/15/2023	615,000	5.00%				
			7/15/2024	650,000					
			7/15/2025	675,000					
			7/15/2026	710,000					
			7/15/2027	740,000	3.00%				
7/15/2028	755,000								
2018 Issue	8/15/2018	25,105,000	9/1/2021	1,000,000	2.00%	25,105,000			25,105,000
			9/1/2022	1,200,000	2.25%				
			9/1/2023	1,905,000	2.50%				
			9/1/2024-2033	2,000,000	3.00%				
						<u>\$ 40,275,000</u>	<u>-</u>	<u>2,580,000</u>	<u>37,695,000</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE 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 Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,492,281		3,492,281	3,492,281	
Miscellaneous					-
State Aid	599,412		599,412	599,412	-
Total Revenues	<u>4,091,693</u>	<u>-</u>	<u>4,091,693</u>	<u>4,091,693</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	1,712,185		1,712,185	1,712,185	-
Redemption of Principal	2,580,000		2,580,000	2,580,000	-
Total Regular Debt Service	<u>4,292,185</u>	<u>-</u>	<u>4,292,185</u>	<u>4,292,185</u>	<u>-</u>
Total Expenditures	<u>4,292,185</u>	<u>-</u>	<u>4,292,185</u>	<u>4,292,185</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,492)	-	(200,492)	(200,492)	
Other Financing Sources or Uses					
Transfer From Capital Projects				395,347	395,347
Fund Balance July 1	<u>378,518</u>		<u>378,518</u>	<u>378,518</u>	
Fund Balance June 30	<u>\$ 178,026</u>	<u>-</u>	<u>178,026</u>	<u>573,373</u>	<u>395,347</u>

STATISTICAL SECTION

(Unaudited)

LAWRENCE TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Invested in Capital Assets, net of related Debt	1 \$ 66,914,606	\$ 65,470,444	\$ 88,891,008	\$ 92,575,068	\$ 92,045,058	\$ 95,336,532	\$ 97,269,226	\$ 96,373,352	\$ 99,526,291	\$ 98,367,381
Restricted	2 \$ 19,612,102	\$ 29,928,158	\$ 5,424,585	\$ 7,199,150	\$ 11,588,588	\$ 11,151,703	\$ 9,271,797	\$ 9,423,775	\$ 9,873,295	\$ 11,051,428
Unrestricted	3 \$ (20,303,417)	\$ (23,101,616)	\$ (23,006,486)	\$ (22,276,615)	\$ (20,964,775)	\$ (20,189,153)	\$ (217,983)	\$ (663,993)	\$ (819,561)	\$ (646,664)
Total Governmental Activities	\$ 66,223,291	\$ 72,296,986	\$ 71,309,107	\$ 77,497,603	\$ 82,668,871	\$ 86,299,082	\$ 106,323,040	\$ 105,133,134	\$ 108,580,025	\$ 108,772,145
Business Type Activities										
Invested in Capital Assets, net of related Debt	4 \$ 213,447	\$ 260,892	\$ 306,555	\$ 80,246	\$ 284,726	\$ 312,475	\$ 335,697	\$ 372,996	\$ 290,159	\$ 351,612
Unrestricted	5 \$ 224,714	\$ 125,681	\$ 92,400	\$ 127,382	\$ 242,288	\$ 338,313	\$ 432,780	\$ 312,079	\$ 242,448	\$ 557,863
Total Business Type Activities	\$ 438,161	\$ 386,573	\$ 398,955	\$ 207,628	\$ 527,014	\$ 650,788	\$ 768,477	\$ 685,075	\$ 532,607	\$ 909,475
District-wide										
Invested in Capital Assets, net of related Debt	\$ 67,128,053	\$ 65,731,336	\$ 89,197,563	\$ 92,655,314	\$ 92,329,784	\$ 95,649,007	\$ 97,604,923	\$ 96,746,348	\$ 99,816,450	\$ 98,718,993
Restricted	\$ 19,612,102	\$ 29,928,158	\$ 5,424,585	\$ 7,199,150	\$ 11,588,588	\$ 11,151,703	\$ 9,271,797	\$ 9,423,775	\$ 9,873,295	\$ 11,051,428
Unrestricted	\$ (20,078,703)	\$ (22,975,935)	\$ (22,914,086)	\$ (22,149,233)	\$ (20,722,487)	\$ (19,850,840)	\$ 214,797	\$ (351,914)	\$ (577,113)	\$ (88,801)
Total District Assets	\$ 66,661,452	\$ 72,683,559	\$ 71,708,062	\$ 77,705,231	\$ 83,195,885	\$ 86,949,870	\$ 107,091,517	\$ 105,818,209	\$ 109,112,632	\$ 109,681,620

Source:
Exhibit A-1

LAWRENCE TOWNSHIP BOARD OF EDUCATION

CHANGES IN NET POSITION

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 19,994,951	\$ 19,765,837	\$ 23,194,197	\$ 18,995,170	\$ 18,414,673	\$ 17,890,178	\$ 18,114,616	\$ 17,843,724	\$ 17,601,208	\$ 17,691,654
Special education	\$ 10,122,759	\$ 9,852,141	\$ 6,958,028	\$ 9,272,441	\$ 8,177,757	\$ 7,994,040	\$ 7,853,030	\$ 7,338,411	\$ 7,678,549	\$ 7,571,356
Other special education	\$ 2,184,089	\$ 2,178,386	\$ 473,453	\$ 2,310,991	\$ 2,433,537	\$ 2,247,839	\$ 2,218,815	\$ 2,295,502	\$ 2,206,502	\$ 1,864,728
Other instruction	\$ 1,254,149	\$ 1,352,111	\$ 2,876,178	\$ 1,112,329	\$ 1,067,626	\$ 978,605	\$ 927,623	\$ 924,114	\$ 927,101	\$ 994,128
Support:										
Tuition	\$ 3,923,814	\$ 3,890,370	\$ 3,511,834	\$ 3,062,061	\$ 2,594,912	\$ 2,572,120	\$ 1,962,968	\$ 1,713,687	\$ 1,237,966	\$ 1,213,944
Student & instruction related services	\$ 9,620,311	\$ 9,182,233	\$ 8,750,102	\$ 8,990,513	\$ 9,136,800	\$ 8,665,016	\$ 8,609,435	\$ 8,775,552	\$ 8,936,218	\$ 8,535,215
General administration										
School Administrative Services	\$ 856,129	\$ 3,757,869	\$ 2,255,637	\$ 790,151	\$ 697,217	\$ 631,209	\$ 640,105	\$ 579,603	\$ 733,687	\$ 698,851
Central Services	\$ 3,949,993	\$ 802,382	\$ 2,083,664	\$ 3,624,829	\$ 3,479,522	\$ 3,455,208	\$ 3,300,258	\$ 3,357,366	\$ 3,647,622	\$ 3,422,232
Administrative Information technology										
Plant Operations and Maintenance	\$ 7,115,016	\$ 7,334,262	\$ 6,942,111	\$ 7,301,285	\$ 7,269,603	\$ 7,135,008	\$ 6,622,251	\$ 6,485,230	\$ 5,821,565	\$ 6,010,209
Pupil transportation	\$ 3,403,114	\$ 3,933,797	\$ 3,698,805	\$ 3,364,525	\$ 3,124,802	\$ 3,220,869	\$ 2,828,380	\$ 2,731,067	\$ 2,621,435	\$ 2,546,224
Other support services	\$ 24,654,728	\$ 21,304,886	\$ 20,294,220	\$ 20,236,770	\$ 18,441,314	\$ 15,815,776	\$ 15,883,788	\$ 16,553,549	\$ 15,834,797	\$ 14,933,767
Transfer to Charter School/Food Services	\$ 190,995	\$ 65,720	\$ 10,493	\$ -	\$ -	\$ 2,093	\$ 18,388	\$ -	\$ 10,580	\$ 26,335
Interest on Long Term Debt	\$ 1,441,420	\$ 1,177,403	\$ 793,245	\$ 900,160	\$ 1,011,939	\$ 1,189,501	\$ 1,310,605	\$ 1,437,427	\$ 1,541,269	\$ 1,724,227
Capital Outlay	\$ 8,760,947	\$ 2,641,502	\$ -	\$ 4,833,379	\$ 746,414	\$ -	\$ -	\$ 2,110,608	\$ 168,694	\$ 1,593,203
Unallocated Depreciation	\$ 1,491,809	\$ 1,444,364	\$ 8,013,121	\$ 7,478,517	\$ 7,908,906	\$ 5,104,807	\$ 3,229,194	\$ 5,673,867	\$ 3,831,471	\$ 2,661,973
Total Governmental Activities	\$ 98,964,224	\$ 88,683,263	\$ 89,855,088	\$ 92,273,121	\$ 84,505,022	\$ 76,902,269	\$ 73,519,956	\$ 77,819,707	\$ 72,798,664	\$ 71,488,046
Business Type Activities										
	\$ 1,189,553	\$ 1,542,141	\$ 1,479,444	\$ 1,598,591	\$ 1,552,765	\$ 1,568,659	\$ 1,349,744	\$ 1,389,631	\$ 1,929,637	\$ 1,514,248
Total District Expenses	\$ 100,153,777	\$ 90,225,404	\$ 91,334,532	\$ 93,871,712	\$ 86,057,787	\$ 78,470,928	\$ 74,869,700	\$ 79,209,338	\$ 74,728,301	\$ 73,002,294
Program Revenues:										
Governmental Activities										
Charges for service										
Instruction										
Support Services	\$ 41,607	\$ 31,883	\$ 20,632	\$ 18,378	\$ 229,125	\$ 186,659	\$ 132,741	\$ 111,909	\$ 56,516	\$ 17,412
Operating grants and contributions	\$ 3,451,960	\$ 3,698,470	\$ 3,701,756	\$ 3,439,960	\$ 2,959,549	\$ 3,091,827	\$ 2,936,993	\$ 2,664,758	\$ 3,671,700	\$ 2,849,430
Total governmental activities program revenues	\$ 3,493,567	\$ 3,640,353	\$ 3,722,388	\$ 3,458,338	\$ 3,188,674	\$ 3,278,486	\$ 3,069,734	\$ 2,776,664	\$ 3,728,216	\$ 2,866,842
Business Type Activities										
Charges for service										
Food Service	\$ 657,869	\$ 926,302	\$ 877,384	\$ 874,298	\$ 830,052	\$ 869,957	\$ 903,793	\$ 946,520	\$ 1,096,310	\$ 1,043,967
Operating grants and contributions	\$ 583,272	\$ 601,327	\$ 567,078	\$ 588,702	\$ 593,778	\$ 569,519	\$ 529,353	\$ 495,203	\$ 456,459	\$ 401,652
Total business activities program revenues	\$ 1,241,141	\$ 1,527,629	\$ 1,444,462	\$ 1,463,000	\$ 1,423,830	\$ 1,439,476	\$ 1,433,146	\$ 1,441,723	\$ 1,552,769	\$ 1,445,619
Total District Program Revenues	\$ 4,734,708	\$ 5,167,982	\$ 5,166,850	\$ 4,921,338	\$ 4,612,504	\$ 4,717,962	\$ 4,502,880	\$ 4,218,387	\$ 5,280,985	\$ 4,312,461
Net (Expense)/Revenues:										
Governmental Activities	\$ (95,470,657)	\$ (85,042,910)	\$ (86,132,700)	\$ (88,814,783)	\$ (81,316,348)	\$ (73,623,783)	\$ (70,450,222)	\$ (75,043,043)	\$ (69,070,448)	\$ (68,621,204)
Business Type Activities	\$ 51,588	\$ (14,512)	\$ (34,982)	\$ (135,391)	\$ (128,935)	\$ (129,183)	\$ 83,402	\$ 52,092	\$ (376,863)	\$ (68,629)
Total District-wide Net Expense	\$ (95,419,069)	\$ (85,057,422)	\$ (86,167,682)	\$ (88,950,174)	\$ (81,445,283)	\$ (73,752,966)	\$ (70,366,820)	\$ (74,990,951)	\$ (69,447,316)	\$ (68,689,833)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property taxes for general purposes	\$ 68,278,342	\$ 66,556,034	\$ 64,936,030	\$ 63,454,008	\$ 62,210,439	\$ 60,685,996	\$ 59,499,325	\$ 57,542,655	\$ 57,383,635	\$ 58,341,587
Property taxes levied for debt service	\$ 3,492,281	\$ 2,842,635	\$ 2,894,161	\$ 3,063,991	\$ 2,909,892	\$ 2,364,718	\$ 2,340,954	\$ 1,990,887	\$ 1,987,151	\$ 1,747,122
Federal and State Aid not Restricted	\$ 16,446,564	\$ 15,407,682	\$ 12,687,511	\$ 12,685,912	\$ 11,739,401	\$ 11,909,412	\$ 9,727,993	\$ 10,523,956	\$ 8,887,366	\$ 7,046,739
Other		\$ (1,877,585)	\$ -	\$ -	\$ (50,493)	\$ 33,865	\$ -	\$ 1,550,212	\$ 1,491,774	\$ 1,369,832
Miscellaneous Income	\$ 1,179,775	\$ 1,224,438	\$ 1,304,087	\$ 201,077	\$ 876,898	\$ 602,639	\$ 513,945	\$ 368,823	\$ 1,224,929	\$ 856,457
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Governmental Type Activities	\$ 89,396,962	\$ 86,030,789	\$ 79,944,204	\$ 79,404,988	\$ 77,686,137	\$ 75,596,630	\$ 72,082,217	\$ 71,976,533	\$ 70,974,855	\$ 69,361,737
Total Business Type Activities	\$ -	\$ 2,130	\$ 226,309	\$ -	\$ -	\$ 11,494	\$ -	\$ 100,376	\$ -	\$ -
Total District-wide	\$ 89,396,962	\$ 86,032,919	\$ 80,170,513	\$ 79,404,988	\$ 77,686,137	\$ 75,608,124	\$ 72,082,217	\$ 72,076,909	\$ 70,974,855	\$ 69,361,737
Change in Net Assets										
Governmental Activities										
	\$ (6,073,695)	\$ 987,879	\$ (6,188,496)	\$ (9,409,795)	\$ (3,630,211)	\$ 1,972,847	\$ 1,651,995	\$ (3,066,510)	\$ 1,904,407	\$ 740,533
Business Type Activities										
	\$ 51,588	\$ (12,382)	\$ 191,327	\$ (135,391)	\$ (128,935)	\$ (117,689)	\$ 83,402	\$ 152,468	\$ (376,863)	\$ (68,629)
Total District	\$ (6,022,107)	\$ 975,497	\$ (5,997,169)	\$ (9,545,186)	\$ (3,759,146)	\$ 1,855,158	\$ 1,735,397	\$ (2,914,042)	\$ 1,527,539	\$ 671,904
Source:										
Exhibit A-2 (Audit)										

LAWRENCE TOWNSHIP BOARD OF EDUCATION

FUND BALANCES, GOVERNMENT FUNDS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund: (Note 11)										
Undesignated prior to Excess Calc.	\$ 2,257,864	\$ 1,802,458	\$ 1,912,562	\$ 1,694,899	\$ 1,615,007	\$ 1,746,175	\$ 1,557,668	\$ 1,626,499	\$ 2,413,906	\$ 2,750,733
Reserved: Excess Surplus From Audited Year	\$ 118,530	\$ -	\$ -	\$ -	\$ -	\$ 181,055	\$ 26,210	\$ 76,872	\$ 1,358,370	\$ 1,283,198
Total Unreserved Surplus	\$ 2,139,334	\$ 1,802,458	\$ 1,912,562	\$ 1,694,899	\$ 1,615,007	\$ 1,565,120	\$ 1,531,458	\$ 1,549,627	\$ 1,055,536	\$ 1,467,535
All Other Governmental Funds: All funds within Debt Service or Capital Projects are designated into subsequent year's and reserved.										
Unreserved, Reported in:										
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund Balance (I Schedules)	\$ 573,373	\$ 378,518	\$ 105,492	\$ 34,651	\$ 452,128	\$ 50,943	\$ 86,443	\$ 77,610	\$ 262,576	\$ 138,679
Total Reserved for Future Years	\$ 573,373	\$ 378,518	\$ 105,492	\$ 34,651	\$ 452,128	\$ 50,943	\$ 86,443	\$ 77,610	\$ 262,576	\$ 138,679
Undesignated/Unreserved Debt Service Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Government Funds	\$ 2,139,334	\$ 1,802,458	\$ 1,912,562	\$ 1,694,899	\$ 1,615,007	\$ 1,565,120	\$ 1,531,458	\$ 1,549,627	\$ 1,055,536	\$ 1,467,535

[Source: Note 11/I Schedules/Exhibit B1 & B2

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

3-4

Fiscal Year Ending June 30,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 60,088,709	\$ 59,370,786	\$ 59,533,542	\$ 61,840,279	\$ 63,050,714	\$ 65,120,331	\$ 66,517,999	\$ 67,330,191	\$ 69,398,669	\$ 71,770,623
Tuition charges	17,412	36,516	111,909	132,741	186,659	220,125	18,375	20,632	31,883	41,607
Interest earnings	22,683	1,201	-	11,306	19,516	28,056	27,264	71,897	181,739	146,078
Miscellaneous	1,023,981	3,018,275	627,877	722,105	851,196	1,151,741	1,532,690	1,232,190	1,800,542	1,816,652
State sources	7,726,471	9,562,869	11,129,882	10,439,458	11,517,574	12,333,908	13,626,774	14,389,381	16,426,301	17,425,961
Federal sources	1,979,491	2,701,623	1,799,773	2,006,062	3,213,392	1,981,922	1,701,048	1,989,886	1,832,008	1,689,608
Total revenue	70,858,747	74,711,270	73,202,983	75,151,951	78,841,251	80,845,083	83,424,150	85,544,177	89,671,142	92,890,529
Expenditures										
Instruction										
Regular instruction	18,957,489	17,477,895	17,843,724	18,169,017	17,890,178	18,833,021	18,995,170	23,194,197	19,765,837	19,994,951
Special education instruction	7,571,356	7,678,549	7,338,411	7,853,030	7,994,040	8,177,757	9,272,441	6,958,028	9,852,141	10,122,759
Other special instruction	1,864,728	2,206,502	2,295,402	2,218,815	2,247,839	2,433,537	2,310,991	473,453	2,178,386	2,184,089
Vocational education										
Other instruction	994,128	927,101	924,114	927,623	978,605	1,067,626	1,112,329	2,876,178	1,352,111	1,254,149
Nonpublic school programs										
Adult/continuing education										
Support Services:										
Tuition	1,213,944	1,237,966	1,713,687	1,962,968	2,572,129	2,594,912	3,062,061	3,511,834	3,890,370	3,923,814
Student & inst. related services	8,535,215	8,936,218	8,775,552	8,609,435	8,665,016	9,136,800	8,965,151	8,750,162	9,182,233	9,620,311
General administration	698,851	733,687	579,603	640,105	631,209	697,217	790,151	683,731	802,582	856,129
School administrative services	2,173,537	2,260,209	2,092,837	2,042,145	2,124,064	2,165,178	2,187,360	2,255,637	2,273,912	2,470,284
Central services	963,399	1,012,999	974,710	941,046	930,187	989,598	1,001,093	1,010,716	1,061,336	1,060,250
Admin. information technology	285,276	374,414	289,819	317,057	400,937	324,746	436,376	389,217	422,620	419,459
Plant operations and maintenance	6,010,209	5,821,565	6,485,230	6,622,251	7,135,008	7,269,603	7,301,285	6,942,111	7,334,262	7,115,016
Pupil transportation	2,546,224	2,621,435	2,731,067	2,828,880	3,220,369	3,124,802	3,364,525	3,698,805	3,933,797	3,403,114
Other Support Services										
Employee benefits	14,933,767	15,834,797	16,964,886	15,883,788	16,200,542	17,799,149	18,257,306	20,228,816	21,623,393	24,041,432
Special Schools										
Charter Schools & Food Services	26,395	10,580		18,388	2,093		25,362	10,493	65,720	190,995
Capital outlay	1,682,452	2,928,624	2,110,608	705,085	1,711,854	1,488,261	5,185,182	1,304,593	3,295,302	9,116,918
Debt service:										
Principal	2,880,000	3,060,464	3,200,000	3,343,000	3,065,000	3,195,000	3,770,000	2,380,000	2,475,000	2,580,000
Interest and other charges	1,766,396	1,601,667	1,484,439	1,360,916	1,227,480	1,074,007	950,641	826,769	739,544	1,712,185
Other Ed Jobs		168,694								
Total expenditures	72,203,346	74,893,566	75,804,089	74,443,559	76,997,861	80,371,214	86,985,624	85,494,680	90,248,347	100,065,855
Excess (Deficiency) of revenues over (under) expenditures	(1,344,599)	(182,096)	(2,601,106)	708,392	1,844,190	473,869	(3,561,474)	49,497	(577,205)	(7,175,326)
Other Financing sources (uses)										
Bond Proceeds									25,105,000	-
Capital leases (non-budgeted)										
Proceeds from refunding										
Payments to escrow agent										
Transfers in										
Transfers out										
Total other financing sources (uses)									25,105,000	
Net change in fund balances	\$ (1,344,599)	\$ (182,096)	\$ (2,601,106)	\$ 708,392	\$ 1,844,190	\$ 473,869	\$ (3,561,474)	\$ 49,497	\$ 24,527,795	\$ (7,175,326)
Debt service as a percentage of noncapital expenditures	6.59%	6.48%	6.36%	6.38%	5.70%	5.41%	5.77%	3.81%	3.70%	4.72%
Sources:										
District records and Exhibit B 2(Audit)										

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

J-5

	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Interest on Capital Reserve</u>	<u>Miscellaneous</u>	<u>Prior Year Refunds</u>	<u>Total</u>
2011	17,412	19,217	3,466	270,134	26,172	336,401
2012	56,516	1,148	52	579,593	19,120	656,430
2013	111,909	-	-	207,098	21,607	340,614
2014	132,741	6,676	4,630	253,495	73,053	470,595
2015	186,659	13,839	5,677	209,934	107,755	523,863
2016	229,125	25,092	2,964	213,193	60,864	531,238
2017	103,524	36,695	3,568	306,812	144,099	594,698
2018	20,632	68,897	3,000	240,755	253,063	586,346
2019	31,883	181,739	3,000	590,537	105,602	912,762
2020	41,607	146,078	3,000	630,185	35,499	856,370

Source:

Board Secretary's Reports
 Audit

LAWRENCE TOWNSHIP BOARD OF EDUCATION

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Prop.	Qfirm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt	Public Utilities ^a	Net Valuation Taxable	Estimated Actual	Total Direct
									Property			(County Equalized) Value	School Tax Rate ^b
2011	36,642,000	1,593,565,750	17,140,600	588,800	747,939,490	43,259,460	123,664,800	2,562,800,840	399,876,900	3,391,768	2,566,192,608	5,080,067,169	2.328
2012	30,120,300	1,591,230,050	16,385,400	586,100	734,947,890	42,223,150	109,047,700	2,524,540,590	401,229,800	3,302,202	2,527,842,792	5,161,845,015	2.352
2013	28,057,200	1,584,506,950	17,008,500	592,500	720,674,390	37,369,450	109,047,700	2,497,236,690	404,449,800	3,512,279	2,500,748,969	4,930,893,053	2.427
2014	46,576,700	2,786,993,300	31,634,400	675,000	1,425,089,200	73,448,350	213,520,100	4,577,937,050	722,413,854	6,197,824	4,584,134,874	4,714,045,185	1.362
2015	62,789,500	2,785,021,000	29,479,200	664,600	1,369,783,000	68,895,450	212,583,500	4,529,216,250	720,678,404	6,301,334	4,535,517,584	4,820,372,203	1.413
2016	63,119,100	2,786,921,600	29,998,000	661,300	1,354,532,900	64,876,350	212,583,500	4,512,692,750	732,006,004	5,946,618	4,518,639,368	4,992,932,395	1.457
2017	54,621,600	2,786,799,700	29,778,100	666,800	1,370,811,900	64,375,150	212,583,500	4,519,636,750	749,457,304	6,012,079	4,525,648,829	5,024,517,763	1.484
2018	46,919,900	2,783,359,900	30,125,800	684,400	1,479,861,400	62,391,650	215,961,300	4,619,304,350	753,381,067	6,168,711	4,625,473,061	4,978,710,417	1.483
2019	46,526,600	2,774,499,900	31,542,900	685,100	1,481,486,000	61,685,450	223,202,800	4,619,628,750	763,204,750	6,268,296	4,625,897,046	5,035,180,238	1.526
2020	49,399,900	2,777,449,200	30,318,960	700,400	1,478,571,600	61,944,800	225,356,900	4,623,741,700	769,447,150	6,781,547	4,630,523,247	4,025,536,838	1.571

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

<http://www.mercercounty.org>

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

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

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

b Tax rates are per \$100

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-7

PROPERTY TAX RATES - DIRECT AND OVERLAPPING

PER \$100 OF ASSESSED VALUATION

Fiscal Year Ended June 30,	Lawrence School District Direct Rate			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Lawrence Twp.	Open Space Twp.	Mercer County	Library County	Open Space County	
2011	2.255	0.073	2.328	0.840	0.030	0.950	0.105	0.039	4.292
2012	2.273	0.079	2.352	0.891	0.030	1.068	0.108	0.040	4.489
2013	2.340	0.087	2.427	0.940	0.030	1.127	0.114	0.039	4.677
2014	1.311	0.051	1.362	0.527	0.030	0.613	0.062	0.026	2.620
2015	1.355	0.058	1.413	0.527	0.030	0.614	0.059	0.027	2.670
2016	1.391	0.066	1.457	0.527	0.030	0.643	0.062	0.027	2.746
2017	1.418	0.066	1.484	0.527	0.030	0.654	0.064	0.028	2.787
2018	1.421	0.062	1.483	0.557	0.030	0.638	0.065	0.027	2.800
2019	1.458	0.069	1.526	0.577	0.030	0.640	0.065	0.027	2.865
2020	1.490	0.080	1.571	0.597	0.030	0.615	0.062	0.027	2.902

Source: Table of Aggregates/Lawrence Township Tax Assessor

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-8

SCHEDULE OF PRINCIPAL TAXPAYERS

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2009		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Bristol-Myers Squibb	\$ 421,671,400	1	7.50%	\$ 189,619,000	1	7.05%
Quakerbridge Mall	\$ 144,571,100	2	2.57%	\$ 90,000,000	2	3.35%
Education Testing Service	\$ 131,107,000	3	2.33%	\$ 66,687,200	4	2.48%
Lenox Driver Office Park	\$ 101,099,000	4	1.80%			
Mercer Mall	\$ 98,036,400	5	1.74%	\$ 46,979,800	6	1.75%
Avalon Properties	\$ 68,936,500	6	1.23%	\$ 70,257,300	3	2.61%
Mercer Station	\$ 44,448,700	7	0.79%			
Steward's Crossing	\$ 29,215,900	8	0.52%			
Princeton Pike Office Park	\$ 24,853,200	9	0.44%	\$ 15,375,000	8	0.57%
Yorkshire Village, Inc.	\$ 19,882,200	10	0.35%	\$ 15,117,500	10	0.56%
Brandywine Operating Partnership				\$ 56,974,200	5	2.12%
Lawrence Shopping Center				\$ 22,930,600	7	0.85%
River Real Estate				\$ 15,128,400	9	0.56%
Total	\$ 1,083,821,400		19.27%	\$ 589,069,000		21.90%

Source: Municipal Tax Assessor

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-9

MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2011	60,088,709	60,088,709	100.00%	-
2012	59,370,786	59,370,786	100.00%	-
2013	59,533,542	59,533,542	100.00%	-
2014	61,840,279	61,840,279	100.00%	-
2015	63,050,714	63,050,714	100.00%	-
2016	65,120,331	65,120,331	100.00%	-
2017	66,517,999	66,517,999	100.00%	-
2018	67,830,191	67,830,191	100.00%	-
2019	69,398,669	69,398,669	100.00%	-
2020	71,770,623	71,770,623	100.00%	-

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

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-10

RATIO OF OUTSTANDING DEBT BY TYPE

Fiscal Year Ended June 30,	Governmental Activities			Business Activities		Total Debt Per District	Estimated Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2011	40,525,000	-	-	-	-	40,525,000	33,400	\$ 1,213
2012	36,706,000	-	-	-	-	36,706,000	33,397	\$ 1,099
2013	33,506,000	-	-	-	-	33,506,000	33,452	\$ 1,002
2014	30,163,000	-	-	-	-	30,163,000	33,419	\$ 903
2015	27,098,000	-	521,600	-	-	27,619,600	33,304	\$ 829
2016	23,795,000	-	349,803	-	-	24,144,803	33,122	\$ 729
2017	20,025,000	-	-	-	-	20,025,000	33,161	\$ 604
2018	17,645,000	-	-	-	-	17,645,000	33,161	\$ 532
2019	40,275,000	-	-	-	-	40,275,000	32,668	\$ 1,233
2020	37,695,000	-	-	-	-	37,695,000	32,727	\$ 1,152

Source:

Census Data

District Records

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

2019 Population was not estimated at the time of this CAFR.

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-11

RATIO OF NET GENERAL BONDED DEBTTO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Lawrence Twp</u> <u>Population</u>	<u>Net Assessed</u> <u>Valuation Taxable</u>	<u>Net Bonded</u> <u>Debt of District</u>	<u>Percentage of</u> <u>Taxable Property</u> <u>Value</u>	<u>Net Bonded</u> <u>Debt</u> <u>Per Capita</u>
2011	33,400	\$2,562,800,840	\$ 40,525,000	1.58%	\$1,213
2012	33,397	\$2,524,540,590	\$ 36,706,000	1.45%	\$1,099
2013	33,452	\$2,497,236,690	\$ 33,506,000	1.34%	\$1,002
2014	33,419	\$4,577,937,050	\$ 30,163,000	0.66%	\$903
2015	33,304	\$4,529,216,250	\$ 27,098,000	0.60%	\$814
2016	33,122	\$4,512,692,750	\$ 23,795,000	0.53%	\$718
2017	33,161	\$4,519,636,750	\$ 20,025,000	0.44%	\$604
2018	33,161	\$4,625,473,061	\$ 17,645,000	0.38%	\$532
2019	32,668	\$4,625,897,046	\$ 40,275,000	0.87%	\$1,233
2020	32,727	4,630,523,247	\$ 37,695,000	0.81%	\$1,152

Source:

New Jersey Department of Labor
Mercer County Abstract of Ratables

LAWRENCE TOWNSHIP BOARD OF EDUCATION
COMPUTATION OF LEGAL DEBT MARGIN

	Year	Equalized Valuation Basis
	2020	\$5,055,636,865
	2019	\$4,902,536,182
	2018	\$5,011,916,815
Sum of values for three years	[A]	\$14,970,089,862
Average 3 years Equalized Valuation of Taxable Property	[A]/3	\$4,990,029,954
Debt limit (4% of average equalization value)	[B]	\$ 199,601,198
Total Net Debt Applicable to Limit	[C]	\$ 37,695,000
Legal Debt Margin	[B-C]	\$ 161,906,198

NJSA: 18A: 24-19

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$217,357,597	\$211,279,381	\$203,923,919	\$199,452,374	\$194,601,567	\$195,009,222	\$197,723,545	\$ 198,039,326	\$ 199,601,198	\$ 199,601,198
Total net debt applicable to limit	40,525,000	39,766,000	36,706,000	30,163,000	27,098,000	23,795,000	20,025,000	17,645,000	40,275,000	37,695,000
Legal debt margin	\$ 176,832,597	\$ 171,513,381	\$ 167,217,919	\$ 169,289,374	\$ 167,503,567	\$ 171,214,222	\$ 177,698,545	\$ 180,394,326	\$ 159,326,198	\$ 161,906,198
Total net debt applicable to the limit as a percentage of debt limit	18.64%	18.82%	18.00%	15.12%	13.92%	12.20%	10.13%	8.91%	20.18%	18.89%

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

Legal Debt Margin (Source J-11 Debt Ratio)

[A] Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-14

DEMOGRAPHIC STATISTICS

<u>Year Ended December 31,</u>	<u>Lawrence Township Population</u>	<u>Total Personal Income</u>	<u>Lawrence Twp. Per Capita Income</u>	<u>Lawrence Township Unemployment Rate</u>
2010	33,499	1,445,012,864	43,136	6.3%
2011	33,400	1,378,651,800	41,277	6.1%
2012	33,397	1,364,167,259	40,847	6.2%
2013	33,452	1,343,398,868	40,159	5.6%
2014	33,419	1,377,631,437	41,223	4.4%
2015	33,304	1,317,805,976	39,569	3.6%
2016	33,122	1,415,601,158	42,739	3.4%
2017	33,161	1,449,069,378	43,698	3.1%
2018	32,668	1,427,526,264	43,698	2.7%
2019	N/A	NA	N/A	N/A
2020	32,727	NA	N/A	N/A

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

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic A.

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-15

OPERATING STATISTICS

PRINCIPAL EMPLOYERS

No Data Available

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

	<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>
Regular	281	285	283	282	275	269	273	289	291	277
Special Education	64	105	105	106	113	107	128	127	135	137
Other Special Education	-									
Vocational	-									
Other Instruction	-	1	1	1	1	1	1	2	2	2
Nonpublic school programs	-									
Adult/continuing education programs	-									
Student & instruction related services	61	121	109	110	110	115	113	110	134	114
General administration	4	3	3	3	3	3	3	3	3	3
School administrative services	12	23	23	23	22	23	23	21	22	24
Central Services (Business & Personnel)	23	12	12	11	11	14	14	10	14	14
Admin. Information Technology	12	3	3	3	3	4	4	4	4	5
Plant operations & maintenance	48	68	71	68	65	82	80	77	74	73
Pupil Transportation	5	7	8	8	11	10	14	20	19	21
Other support services	112 *									
	-									
	1		1	2	2	2	2	2	2	2
	-									
	623	628	619	616	616	630	655	665	700	672

Source: District Personnel Records

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-17

OPERATING STATISTICSLAST TEN FISCAL YEARS

Fiscal Year	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
2011	60,569,823	\$15,320	-7.34%	3,954	3,790	95.9%
2012	62,696,481	\$15,665	2.20%	4,002	3,845	96.1%
2013	64,318,588	\$15,980	1.97%	4,025	3,852	95.7%
2014	64,677,005	\$16,129	0.92%	4,010	3,834	95.6%
2015	65,966,114	\$16,566	2.64%	3,982	3,814	95.8%
2016	65,669,461	\$16,761	1.16%	3,918	3,752	95.8%
2017	71,697,695	\$18,417	8.99%	3,893	3,717	95.5%
2018	69,255,518	\$18,054	-2.01%	3,836	3,664	95.5%
2019	69,922,400	\$18,586	2.86%	3,762	3,595	95.6%
2020	72,097,372	\$18,988	2.11%	3,797	3,685	97.1%

Source:

Enrollment based on annual final reported attendance figures

"Operating Expenditures" are reported on a Budgetary Basis.

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

District Records Susan Communi

Lawrence Township Public Schools
 School Building Information
 Last Ten Fiscal Years

J-18

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District Building										
Elementary										
Ben Franklin Elementary School (1961 & several additions through 2005)										
Square Feet	58,545	58,545	58,545	58,545	58,545	58,545	58,545	58,545	58,545	58,545
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	364	396	389	400	419	445	463	462	480	492
Lawrenceville Elementary School (1923 & several additions through 2005)										
Square Feet	51,372	51,372	51,372	51,372	51,372	51,372	51,372	51,372	51,372	51,372
Capacity (students)	345	345	345	345	345	345	345	345	345	345
Enrollment ^a	286	328	310	307	317	335	356	358	371	368
Slackwood Elementary School (1910)										
Square Feet	45,582	45,582	45,582	45,582	45,582	45,582	45,582	45,582	45,582	45,582
Capacity (students)	318	318	318	318	318	318	318	318	318	318
Enrollment	218	252	269	285	277	291	275	266	265	253
Eldridge Park Elementary School (1914)										
Square Feet	37,178	37,178	37,178	37,178	37,178	37,178	37,178	37,178	37,178	37,178
Capacity (students)	267	267	267	267	267	267	267	267	267	267
Enrollment	205	210	234	247	280	281	269	282	250	253
Intermediate School (1970)										
Lawrence Intermediate School										
Square Feet	97,077	97,077	97,077	97,077	97,077	97,077	97,077	97,077	97,077	97,077
Capacity (students)	714	714	714	714	714	714	714	714	714	714
Enrollment	808	870	897	920	911	892	896	894	903	870
Middle School (1952)										
Lawrence Middle School										
Square Feet	86,123	86,123	86,123	86,123	86,123	86,123	86,123	86,123	86,123	86,123
Capacity (students)	604	604	604	604	604	604	604	604	604	604
Enrollment	602	586	594	602	593	569	601	608	572	581
High School (1966 & several additions through 2005)										
Lawrence High School										
Square Feet	228,026	228,026	228,026	228,026	228,026	228,026	228,026	228,026	228,026	228,026
Capacity (students)	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456
Enrollment	1,165	1,120	1,142	1,131	1,121	1,168	1,152	1,156	1,161	1,137
Other										
Administration Building (1992)										
Square Feet	9,380	9,380								
Facilities Building (2015)										
Square Feet	18,107	18,107								
Number of Schools at June 30, 2020										
Elementary = 4										
Intermediate School = 1										
Middle School = 1										
High School = 1										
Other = 2										

Source: 2020 Long Range Facilities Plan

The Sq./Ft. figures were found in the 2020 Long Range Facilities Plan/Functional Capacity and Unhoused Students*

Enrollment: District Attendance Officer Anne Park

Schedule of Required Maintenance Expenditures

J-19

<u>SCHOOL:</u>	<u>Sq. Ft.</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
LAWRENCE HIGH SCHOOL	228,026	173,741	172,269	401,138	255,144	282,968	330,582	368,996	250,281	645,516	485,082
LAWRENCE MIDDLE SCHOOL	86,123	141,461	79,251	284,165	321,354	306,114	166,145	203,090	155,541	131,096	102,604
BEN FRANKLIN	58,545	37,680	47,618	42,879	70,098	93,433	81,556	214,121	173,663	75,083	52,276
ELDRIDGE PARK	37,178	30,863	32,740	42,174	66,340	72,480	168,498	76,218	177,623	44,630	97,819
LAWRENCE INTERMEDIATE	97,077	37,126	80,898	115,682	88,510	197,306	143,906	108,663	82,026	117,595	240,248
LAWRENCEVILLE ELEMENTARY	51,372	31,341	79,644	112,832	42,287	109,226	100,881	122,753	45,718	96,495	78,891
SLACKWOOD ELEMENTARY	45,582	51,240	52,159	88,974	93,132	77,918	119,774	127,414	77,315	87,182	88,209
	603,903	\$ 503,453	\$ 544,579	\$ 1,087,844	\$ 936,864	\$ 1,139,445	\$ 1,111,342	\$ 1,221,255	\$ 962,167	\$ 1,197,597	\$ 1,145,129

Source: Comprehensive Maintenance Plan M-1/M and CSI with the audit for 11-000-261-XXX.
 The Sq/Ft. figures were found in the 2019 Long Range Facilities Plan/"Functional Capacity and Unhoused Students"

LAWRENCE TOWNSHIP BOARD OF EDUCATION

J-20

INSURANCE SCHEDULEJUNE 30, 2020

<u>Multi Peril Package Policy</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Company</u>
<u>Property</u>			
Blanket Building & Contents	178,779,861	5,000	NJSIG
Extra Expense	50,000,000		
Musical instruments(included in blanket bldg & contents included			
Miscellaneous Equip (included in blanket bldg & content; included			
Computer Equipment (Included in Blanket Bldg & Conte; included			
Demolition /Incr. Cost of Construction			
<u>Energy Systems</u>	178,779,861		NJSIG
Spoilage	500,000		
<u>Commercial Liability</u>			NJSIG
Bodily Injury /Property Damage	31,000,000		
Fire Damage (Legal)	31,000,000		
Employee Benefits Liability	31,000,000		
Medical Expense	5,000/10,000		
<u>Crime</u>			NJSIG
Money & Securities	50,000		
Employee Dishonesty	1,000,000		
<u>Business Auto</u>			NJSIG
Bodily Injury & Property Damage	31,000,000		
Personal Injury Protection	Yes		
Medical Payments	10,000		
Uninsured/Underinsured	1,000,000		
Garagekeepers	1,000,000		
<u>School Board Legal Liability</u>			NJSIG
Section "A"	31,000,000		
Section "B"	100,000/300,000		
Deductible	15,000		
<u>Catastrophe Excess</u>			Fireman's Fund
Limit of Liability	50,000,000		
<u>Workers Compensation Policy</u>			NJSIG
Section "A"	Statutory		
Section "B"			
Each Accident	3,000,000		
Each Employee	3,000,000		
<u>Supplemental W/C</u>			NJSIG
Maximum Benefits	1750 PER WEEK		
<u>Student Accident</u>			Bolinger
Compulsory(including Athletics)	5,000,000		
<u>Bonds</u>			Selective
Treasurer of School Monies	425,000		
Business Administrator	425,000		
<u>Environmental Impairment Liability</u>			
Occurrence/Aggregate	1,000,000		Beazley
Deductible	10,000		

SINGLE AUDIT SECTION

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

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

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

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lawrence Township Board of Education, County of Mercer, State of New Jersey as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Lawrence Township Board of Education, County of Mercer, State of New Jersey's basic financial statements, and have issued our report thereon dated January 22, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

January 22, 2021

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

K-2

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's major state programs for the year ended June 30, 2020. The Board of Education of the Lawrence Township School District, County of Mercer, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

January 22, 2021

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustment	Balance at June 30, 2020		
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor at
U.S. Department of Education:															
General Fund															
Medical Assistance Program(SEMI)	93.778	2005NJ5MAP	N/A	30,335	07/01/2019	06/30/2020	\$ -	-	30,335	(30,335)	-	-	-	-	-
U.S. Department of Education:															
Passed Through State Department of Education:															
Special Revenue Fund:															
Title I	84.010A	S010A190030	NCLB20	508,693	07/01/2019	06/30/2020			219,261	(244,651)			(25,390)		
Title I	84.010A	S010A180030	NCLB19	421,029	07/01/2018	06/30/2019	(32,304)		32,304						
Title IIA	84.367A	S367A190029	NCLB20	161,574	07/01/2019	06/30/2020			43,751	(68,768)			(25,017)		
Title IIA	84.367A	S367A180029	NCLB19	139,614	07/01/2018	06/30/2019	(17,480)		17,480						
Title III	84.365A	S365A190030	NCLB20	40,131	07/01/2019	06/30/2020			28,701	(30,906)			(2,205)		
Title III	84.365A	S365A180030	NCLB19	48,666	07/01/2018	06/30/2019	(2,973)		2,973						
Title III Immigrant	84.365A	S365A190030	NCLB20	27,538	07/01/2019	06/30/2020			4,625	(2,455)				2,170	
Title III Immigrant	84.365A	S365A180030	NCLB19	19,144	07/01/2018	06/30/2019	(2)		1		1				
Title IV	84.424	S424A180031	NCLB20	43,439	07/01/2019	06/30/2020			12,735	(12,735)					
Title IV	84.424	S424A180031	NCLB19	32,058	07/01/2018	06/30/2019	(312)		312						
Special Education Cluster:															
IDEA Basic	84.027	H027A190100	IDEA20	1,341,027	07/01/2019	06/30/2020			974,110	(1,282,436)			(308,326)		
IDEA Basic	84.027	H027A180100	IDEA19	1,381,421	07/01/2018	06/30/2019	(402,547)		402,547						
IDEA Preschool	84.173	H173A190114	IDEA20	42,050	07/01/2019	06/30/2020			29,057	(29,058)			(1)		
CARES Act	84.425D	S425D200027	CARES20	298,523	07/01/2019	06/30/2020				(66,457)			(66,457)		
Total U.S. Department of Education							(453,618)	-	1,767,857	(1,737,466)	-	1	(427,396)	2,170	-
U.S. Department of Agriculture -															
Passed Through State Department of Education:															
Child Nutrition Cluster:															
National School Lunch Program	10.555	201NJ304N1099	N/A	397,753	07/01/2019	06/30/2020			371,990	(397,753)			(25,763)		
National School Lunch Program	10.555	191NJ304N1099	N/A	450,592	07/01/2018	06/30/2019	(91,407)		91,407						
HHFKA	10.555	191NJ304N1099	N/A	18,074	07/01/2018	06/30/2019	(3,700)		3,700						
HHFKA	10.555	201NJ304N1099	N/A	15,702	07/01/2019	06/30/2020			15,173	(15,702)			(529)		
School Breakfast Program	10.553	201NJ304N1099	N/A	28,266	07/01/2019	06/30/2020			28,266	(28,266)					
School Breakfast Program	10.553	191NJ304N1099	N/A	43,425	07/01/2018	06/30/2019	(10,212)		10,212						
Food Distribution Program	10.550	201NJ304N1099	N/A	54,795	07/01/2019	06/30/2020			54,795	(54,795)					
Total U.S. Dept. of Agriculture							(105,319)	-	575,543	(496,516)	-	-	(26,292)	-	-
Total Federal Financial Assistance							\$ (560,937)	-	2,373,735	(2,264,317)	-	1	(453,688)	2,170	-

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Schedule B
K-4

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Deferred Revenue June 30, 2020	Due to Grantor at June 30, 2020	MEMO		
			From	To	Deferred Revenue (Accts. Receivable)	Due To Grantor							Budgetary Receivable	Total Cumulative Expenditures	
General Fund:															
Special Education Aid	20-495-034-5120-089	\$ 2,695,812	07/01/2019	06/30/2020	\$ -			2,513,876	(2,695,812)				(181,936)	2,695,812	
Security Aid	20-495-034-5120-084	421,512	07/01/2019	06/30/2020				401,923	(421,512)				(19,589)	421,512	
Transportation Aid	20-495-034-5120-014	1,102,884	07/01/2019	06/30/2020				1,042,264	(1,102,884)				(60,620)	1,102,884	
Extraordinary Aid	19-495-034-5120-044	553,847	07/01/2018	06/30/2019	(553,847)			553,847							
Extraordinary Aid	20-495-034-5120-044	654,633	07/01/2019	06/30/2020					(654,633)		(654,633)			654,633	
Transportation Cost in Excess	20-495-034-5120-014	33,799	07/01/2019	06/30/2020					(33,799)		(33,799)			33,799	
Transportation Cost in Excess	19-495-034-5120-014	111,737	07/01/2018	06/30/2019	(111,737)			111,737							
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	20-495-034-5094-001	2,343,376	07/01/2019	06/30/2020				2,343,376	(2,343,376)					2,343,376	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	20-495-034-5094-002	6,205,463	07/01/2019	06/30/2020				6,205,463	(6,205,463)					6,205,463	
On-Behalf T.P.A.F. Non-Contributory Insurance	20-495-034-5094-004	111,226	07/01/2019	06/30/2020				111,226	(111,226)					111,226	
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	20-495-034-5094-004	6,400	07/01/2019	06/30/2020				6,400	(6,400)					6,400	
Reimbursed Social Security Aid	20-100-034-5095-003	2,342,570	07/01/2019	06/30/2020				2,227,794	(2,342,570)		(114,776)			2,342,570	
Reimbursed Social Security Aid	19-100-034-5095-003	2,280,503	07/01/2018	06/30/2019	(112,483)			112,483							
Total General Fund					(778,067)			15,630,389	(15,917,675)		(803,208)			(262,145)	15,917,675
Special Revenue:															
Preschool Education	20-495-034-5120-086	132,000	07/01/2019	06/30/2020				118,800	(132,000)				(13,200)	132,000	
N.J. Nonpublic Aid:															
Textbooks	20-100-034-5120-064	68,840	07/01/2019	06/30/2020				68,840	(66,937)			1,903		66,937	
Textbooks	19-100-034-5120-064	74,172	07/01/2018	06/30/2019	1,384					(1,384)					
Nursing Services	20-100-034-5120-070	225,234	07/01/2019	06/30/2020				225,234	(225,234)					225,234	
Nursing Services	19-100-034-5120-070	234,061	07/01/2018	06/30/2019	17,282					(17,282)					
Technology	19-100-034-5120-373	50,004	07/01/2018	06/30/2019	223					(223)					
Technology	20-100-034-5120-373	47,016	07/01/2019	06/30/2020				47,016	(46,751)			265		46,751	
Security	20-100-034-5120-084	225,450	07/01/2019	06/30/2020				225,450	(199,615)			25,835		199,615	
Security	19-100-034-5120-084	241,950	07/01/2018	06/30/2019	1,088					(1,088)					
English as a Second Language	19-100-034-5120-067	12,079	07/01/2018	06/30/2019	2,589					(2,589)					
English as a Second Language	20-100-034-5120-067	7,197	07/01/2019	06/30/2020				7,197	(6,452)			745		6,452	
Compensatory Education	20-100-034-5120-067	28,392	07/01/2019	06/30/2020				28,392	(28,392)					28,392	
Compensatory Education	19-100-034-5120-067	61,760	07/01/2018	06/30/2019	7,614					(7,614)					
Transportation	19-100-034-5120-067	22,668	07/01/2018	06/30/2019	22,668					(22,668)					
Home Instruction	20-100-034-5120-067	2,247	07/01/2019	06/30/2020					(2,247)		(2,247)			2,247	
Exam. and Class.	19-100-034-5120-066	144,345	07/01/2018	06/30/2019	34,582					(34,582)					
Exam. and Class.	20-100-034-5120-066	141,447	07/01/2019	06/30/2020				141,447	(104,974)			36,473		104,974	
Corrective Speech	19-100-034-5120-066	41,692	07/01/2018	06/30/2019	3,572					(3,572)					
Corrective Speech	20-100-034-5120-066	29,894	07/01/2019	06/30/2020				29,894	(29,894)					29,894	
Supplementary Instruction	19-100-034-5120-066	79,329	07/01/2019	06/30/2020				79,329	(69,615)			9,714		69,615	
Supplementary Instruction	19-100-034-5120-066	102,292	07/01/2018	06/30/2019	37,269					(37,269)					
Total Special Revenue Fund					128,271			971,599	(912,111)		(2,247)		74,935	(13,200)	912,111
Debt Service:															
Debt Service Aid Type II	20-495-034-5120-125	599,412	07/01/2019	06/30/2020				599,412	(599,412)						599,412
State Department of Agriculture Enterprise Fund:															
National School Lunch Program:															
State Share	19-100-010-3350-023	15,677	07/01/2018	06/30/2019	(3,208)			3,208	(11,756)		(416)			11,756	
State Share	20-100-010-3350-023	11,756	07/01/2019	06/30/2020				11,340	(11,756)		(416)				
Total Enterprise Fund					(3,208)			14,548	(11,756)		(416)			11,756	
Total State Financial Assistance					\$ (653,004)			17,215,948	(17,440,954)		(128,271)		74,935	(275,345)	17,440,954
Less on behalf TPAF Pension System Contributions									\$ (8,666,465)						
Total For State Financial Assistance-Major Program Determination									\$ (8,774,489)						

BOARD OF EDUCATION

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LAWRENCE TOWNSHIP SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2020****NOTE 1: General**

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

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 15,917,675	912,111	599,412	11,756	17,440,954
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized		97,621			97,621
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(100,858)</u>				<u>(100,858)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 15,816,817</u>	<u>1,009,732</u>	<u>599,412</u>	<u>11,756</u>	<u>17,437,717</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of Federal					
Awards					
	\$ 30,335	1,737,466		496,516	2,264,317
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP in that					
Encumbrances are Recognized as					
Expenditures, and the Related					
Revenue is Recognized					
	_____	(78,193)	_____	_____	(78,193)
Total Federal Revenue as					
Reported on the Statement					
of Revenue, Expenditures					
and Changes in Fund					
Balances					
	<u>\$ 30,335</u>	<u>1,659,273</u>	_____	<u>496,516</u>	<u>2,186,124</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Part I - Summary of Auditor's Results

Financial Statement Section

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

2) Were reportable conditions(s) identified that were not considered to be material weaknesses?

_____ Yes x No

(C) Noncompliance material to general purpose financial statements noted?

_____ Yes x No

Federal Awards Section

(D) Dollar threshold used to determine Typed A programs:

_____ \$750,000

(E) Auditee qualified as low-risk auditee?

 x Yes _____ No

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

Unmodified

(G) Internal control over compliance:

1) Material weakness(es) identified?

_____ Yes x No

2) Were reportable condition(s) identified that were not considered to material weaknesses?

_____ Yes x No

(H) Any audit findings disclosed that are required to be reported
Uniform Administrative Requirements Cost Principles and Audit
Requirements for Federal Awards 2 CFR 200

_____ Yes x No

(I) Identification of major programs:

CFDA Number(s)

84.027

84.173

Name of Federal Program or Cluster

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

State Awards Section

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

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

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

(M) Internal control over compliance:

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

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

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

(O) Identification of major programs:

GMIS Number(s)

20-495-034-5120-084
20-495-034-5120-089
20-495-034-5095-002

Name of State Program

Security Aid (State Aid Public Cluster)
Special Education Aid (State Aid Public Cluster)
Reimbursed Social Security

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Part 2 - Schedule of Financial Statement Findings

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

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

FEDERAL AWARDS

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Prior Audit Findings:

None