

REVISED

**SCHOOL DISTRICT
OF
LAWRENCE TOWNSHIP**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Township of Lawrence Board of Education

Cumberland, New Jersey

For the Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

**Lawrence Township Board of Education
Cumberland, New Jersey**

For the Fiscal Year Ended June 30, 2021

Prepared by

**Lawrence Township Board of Education
Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE LAWRENCE TOWNSHIP SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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INTRODUCTORY SECTION

Lawrence Township School District

225 MAIN STREET
CEDARVILLE, NJ 08311
Phone (856) 447-4409 FAX (856) 447-3446

Dr. Shelley Marie Magan x 5000
Chief School Administrator

Lisa M. DiNovi x 5690
Board Secretary/Business Administrator

January 28, 2022

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

Dear Board Members:

The comprehensive annual financial report of the Lawrence Township School District for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Lawrence Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on a basis of governmental, business-type and fiduciary funds, which are all included in this report. The Lawrence Township Board of Education and its one school constitute the District's reporting entity.

Lawrence Township School District provides a full range of educational services appropriate for grade levels Pre-K through Eighth grade. These include regular education, as well as special education for handicapped students. Our students in grades 9-12 are sent to Cumberland Regional High. The Lawrence Township School District completed the 2020-2021 fiscal year with an enrollment of 480 students, which was a decrease of 26 students less than the prior year. The following shows changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-21	480	(5.13%)
2019-20	506	.10%
2018-19	460	(1.08%)
2017-18	465	(1.48%)
2016-17	472	(2.88%)
2015-16	486	(2.61%)

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

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

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

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

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

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR END:

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

8. DEBT ADMINISTRATION:

As of June 30, 2021, the District has total Long-term Debt of \$3,040,278, made up of \$ 981,000 in Serial Bonds, Net Pension Liability of \$1,946,899 and \$112,379 in uncompensated absences. The amount available to authorize debt is \$5,791,158, as shown on Exhibit J-13.

9. CASH MANAGEMENT:

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

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

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

12. ACKNOWLEDGMENTS:

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

Respectfully submitted,

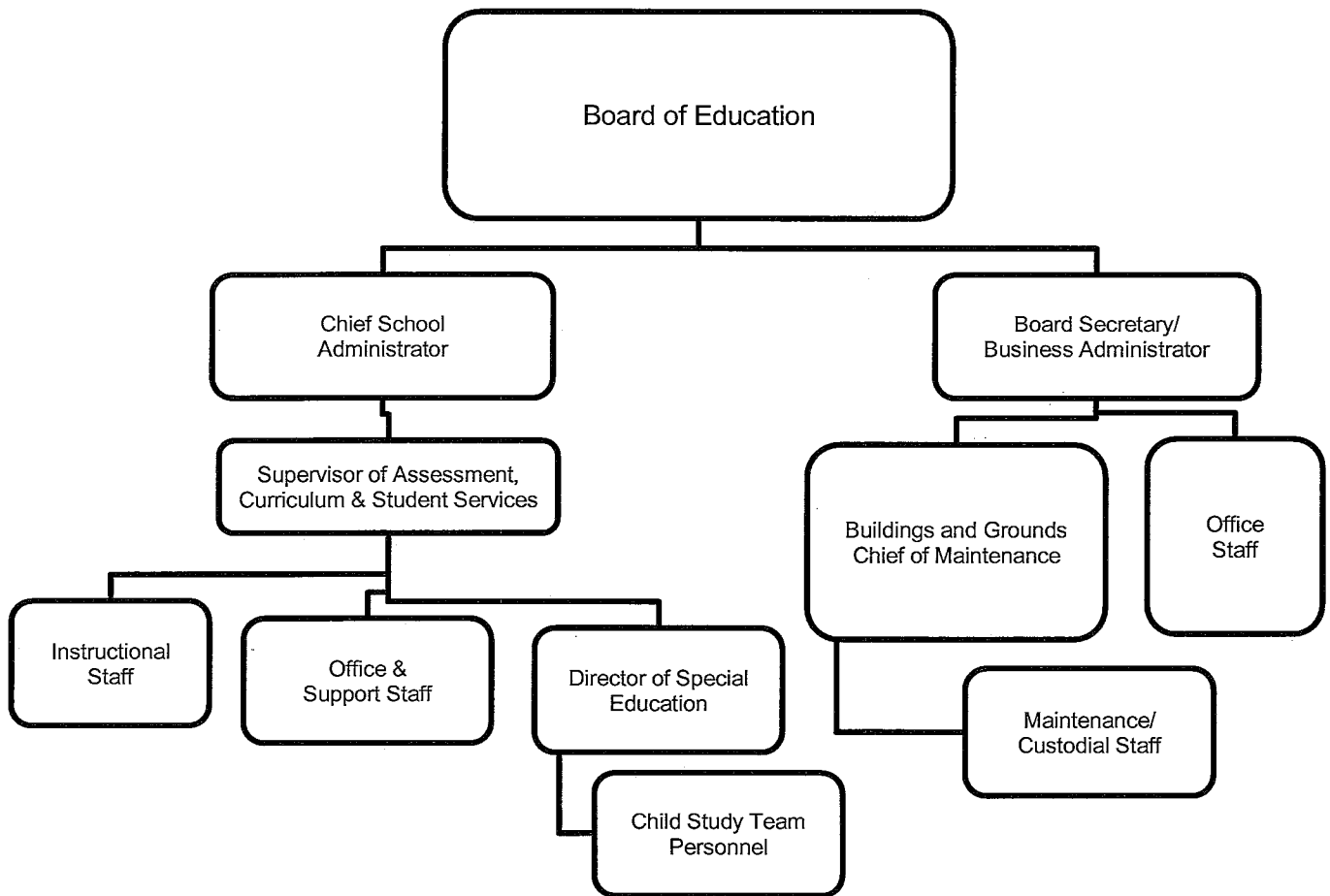
Dr. Shelleymarie Magan

Dr. Shelleymarie Magan
Chief School Administrator

Lisa M. DiNovi

Lisa M. DiNovi
Board Secretary / Business Administrator

Lawrence Township Board of Education Organizational Chart 2019-2020



LAWRENCE TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
William Reyes, President	2021
Edward J. Cox Jr., Vice President	2023
Kristen Figueroa	2021
Linda Miletta	2022
Shannon McNiss	2023

<u>OTHER OFFICIALS</u>	<u>Bond Coverage</u>
Dr. Shelley Marie Magan - Chief School Administrator	
Lisa DiNovi, Board Secretary/Business Administrator	

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
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629 Parsippany Road
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Christopher T. Ballas MD
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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Lawrence Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Lawrence Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

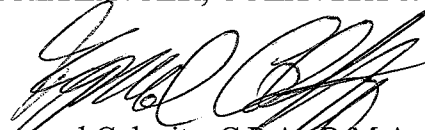
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2022 on our consideration of the Lawrence Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lawrence Township Board of Education's of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Lawrence Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
January 28, 2022

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Lawrence Township School District Management Discussion and Analysis

(Unaudited)

This section of the Lawrence Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2021. Comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Comprehensive Annual Financial Report (CAFR)

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

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

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

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

Key financial highlights for 2021 are as follows:

- The assets of the Lawrence School District exceeded its liabilities at the close of the most recent fiscal year on June 30, 2021 by \$6,572,540.
- Total net position of governmental activities increased by \$710,494, excluding a fixed asset and a prior period adjustment, as well as a transfer to a charter school. This was comprised of changes in various assets and liabilities. The net position of Business-type Activities increased by \$71,682.
- As of the close of the current fiscal year, the Township of Lawrence School District's Governmental Funds reflected combined ending fund balances of \$2,738,317, which is an increase of 743,051, including a prior period adjustment of \$192,613, relating to the adoption of GASB \$84.

- General revenues accounted for 10,480,731, excluding the effects of the transfer to a charter school totaling \$22,994, which was 73.5% percent of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$3,778,319 or 26.5% percent to total revenues of \$14,259,050.
- The School District had \$13,476,874 in expenses, of which \$3,778,319 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) were adequate to provide for these programs, which include the Business-type Activities.
- The General Governmental Fund had \$10,407,695 in revenues, \$9,834,874 in expenditures and \$22,994 in other net financing uses transferred to the Charter School. The General Fund balance increased by \$549,827 over 2020. This increase was anticipated by the Board of Education, although fund balance of \$1,071,777 was used to balance the budget, as shown on Exhibit C-1.

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

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

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 23. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types of funds:

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

The School District as a Whole

Table 1 provides a comparative summary of the School District's net position for the years ended in 2021 and 2020.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$ 3,571,360	\$ 2,888,286	\$ 291,049	\$ 232,450	\$ 3,862,409	\$ 3,120,736
Capital Assets, Net	5,923,943	6,182,800	16,028	8,890	5,939,971	6,191,690
Total Assets	9,495,303	9,071,086	307,077	241,340	9,802,380	9,312,426
Deferred Outflow of Resources	937,148	617,038			937,148	617,038
Liabilities						
Current Liabilities	187,825	300,586	26,979	32,924	214,804	333,510
Non-Current Liabilities	3,040,278	3,215,832			3,040,278	3,215,832
Total Liabilities	3,228,103	3,516,418	26,979	32,924	3,255,082	3,549,342
Deferred Inflow of Resources	911,906	759,377			911,906	759,377
Net Position						
Invested in Capital Assets, Net of Debt	4,942,943	4,866,225	16,028	8,890	4,958,971	4,875,115
Restricted	2,965,876	2,400,517			2,965,876	2,400,517
Unrestricted (Deficit)	(1,616,377)	(1,854,413)	264,070	199,526	(1,352,307)	(1,654,887)
Total Net Position	\$ 6,292,442	\$ 5,412,329	\$ 280,098	\$ 208,416	\$ 6,572,540	\$ 5,620,745

Table 2 shows the changes in net position from fiscal year's 2021 and 2020.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2021	2020	2021	2020	2021	2020
Revenues						
Programs Revenues						
Charges for Services	\$ 527,378	\$ 528,413	\$ 64,526	\$ 112,249	\$ 591,904	\$ 640,662
Operating Grants	2,914,591	2,604,883	271,824	237,136	3,186,415	2,842,019
General Revenues						
Property Taxes	2,659,182	2,604,267			2,659,182	2,604,267
Grants and Entitlements	7,707,705	6,909,359			7,707,705	6,909,359
Other	113,775	118,855	69	96	113,844	118,951
Total Revenues	13,922,631	12,765,777	336,419	349,481	14,259,050	13,115,258
Program Expenses						
Instruction	4,617,413	4,122,038			4,617,413	4,122,038
Tuition	1,202,419	1,552,565			1,202,419	1,552,565
Pupil and Instructional Staff	967,331	853,433			967,331	853,433
General Administration, School						
Administration, Business	559,887	576,344			559,887	576,344
Operations and Maintenance of Facilities	422,545	501,955			422,545	501,955
Pupil Transportation	773,697	769,872			773,697	769,872
Employee Benefits	4,106,551	3,592,548			4,106,551	3,592,548
Interest on Debt	82,309	87,808			82,309	87,808
Internal Services	479,985	498,202			479,985	498,202
Food Service & After School Care			264,737	294,474	264,737	294,474
Total Expenses	13,212,137	12,554,765	264,737	294,474	13,476,874	12,849,239
Excess of Revenue over Expenditures	710,494	211,012	71,682	55,007	782,176	266,019
Less: Fixed Asset Adjustment		(1,325,381)				(1,325,381)
Transfer to Charter school	(22,994)	(2,116)			(22,994)	(2,116)
Prior Period Adjustment	192,613				192,613	
Pension Adjustment		124886		54068		178954
Increase in Net Position	\$ 880,113	\$ (991,599)	\$ 71,682	\$ 109,075	\$ 951,795	\$ (882,524)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's Property taxes made up 25% percent of the net revenues for governmental activities of \$10,480,662. Federal, state and local grants accounted for another 74.% and other net revenues were 1%. The total cost of services, as shown below, was \$13,212,137. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$9,770,168. Instruction comprises 37% of these net District expenses.

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

Table 3

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Instruction	\$ 4,617,413	\$ 3,604,232	\$ 4,122,038	\$ 3,286,846
Tuition	1,202,419	1,202,419	1,552,565	1,552,565
Pupil and Instructional Staff	967,331	760,176	853,433	771,472
General Administration, School Administration, Business	559,887	559,887	576,344	576,344
Operation and Maintenance of Facilities	422,545	422,545	501,955	501,955
Pupil Transportation	773,697	773,697	769,872	769,872
Employee Benefits	4,106,551	2,412,296	3,592,548	1,904,818
Interest on Debt	82,309	82,309	87,808	87,808
Internal Service Fund	479,985	(47,393)	498,202	(30,211)
Total Expenses	<u>\$ 13,212,137</u>	<u>\$ 9,770,168</u>	<u>\$ 12,554,765</u>	<u>\$ 9,421,469</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) are related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Co-curricular activities include instructional expenses related to student activities provided by the School district, which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

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

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

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

Business-Type Activities

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

- Revenues exceeded Expenditures by \$71,613 in the Food Service Fund. There was also \$69 in interest earnings during the year.
- Charges for services represent 64,526 in the Food Service Fund. This represents amount paid by patrons for daily food service activities.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$271,824.

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (i.e., General Fund, Special Revenue Fund and Capital Project Fund presented in the fund-based statements) had total revenues of \$12,191,140, expenditures of \$11,617,708 and other net financing uses of \$22,994, which was for a transfer to a charter school. The net change in fund balance for the year was \$550,438. This demonstrates that the District was able to meet current operating costs with no urgent need for additional funds other than \$1,071,777 in surplus appropriated to balance the 2020-2021 budget.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the Governmental Funds (excluding Capital Projects) for the fiscal year ended June 30, 2020, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 2,772,957	22.75%	\$ 49,835	1.89%
State Sources	8,754,480	71.81%	576,711	7.17%
Federal Sources	663,703	5.44%	60,679	12.85%
Total	<u>\$ 12,191,140</u>	<u>100.00%</u>	<u>\$ 687,225</u>	<u>6.16%</u>

The increase in Local sources is attributed to increases in the tax levy of \$54,915 and miscellaneous revenues of \$12,970, offset by decreases in tuition of \$14,264, transportation of \$2,856 and interest revenues of \$930.

The increase in State sources is attributed to increases in State Public School aid of \$389,154 and Special Revenue Fund Grants of \$191,139, offset by less debt service of \$3,582.

The above schedule includes the two last state aid payments for 2019-2020 of \$607,003 received in July 2020 and does not include the two last state aid payments for 2020-2021 received in July 2021 in the amount of \$592,002.

The increase in Federal sources is due to various increases in the Special Revenue Fund Grants. In addition, the 2021 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of General Fund and Special Revenue Fund Expenditures for the fiscal year ended June 30, 2021 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 4,405,388	37.92%	\$ 494,092	12.96%
Undistributed expenditures	6,780,091	58.36%	(41,931)	-0.61%
Capital Outlay	50,699	0.44%	(15,586)	-16.15%
Debt Service	381,530	3.28%	4,751	1.22%
Total	<u>\$ 11,617,708</u>	<u>100.00%</u>	<u>\$ 441,326</u>	<u>0.040</u>

The increase in Instructional Expenditures is attributed to increases in Regular Instruction of \$454,027 and \$64,308 in Special Education Instructional Expenses, offset by a decrease of \$24,243 in Special Education Instruction Expenses.

The decrease in Undistributed Expenditures was due to decreases in Tuition of \$350,146, Administration/Central Services costs of \$18,339 and Plant and Maintenance costs of \$78,617, offset by increases in Employee Benefits of \$287,448, Student Related costs of \$113,898 and Transportation costs of \$3,825.

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

General Fund Budgeting Highlights

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

During the course of the fiscal year 2021, the School District amended its General Fund budget as needed. The School District uses program-based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

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

While the District's final budget for the general fund anticipated that revenues, including \$1,071,711 of surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase of \$534,826 as shown on Exhibit C-1.

- Actual revenues were \$186,792 more than expected, excluding on-behalf pension and social security reimbursements of \$1,544,632, due to the increased adjustment aid.
- Actual expenditures were \$607,176 less than expected. This excludes state on-behalf pension and social security reimbursements of \$1,544,632 and unspent capital outlay of \$894,046, reflecting favorable variances in most expenditure accounts.

Capital Assets

At the end of the fiscal year 2021, the School District had \$5,939,971 (net of accumulated depreciation) invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2021 balances compared to 2020.

	Governmental Activities		Business-type Activities		Total School District	
	2021	2020	2021	2020	2021	2020
Land	\$ 25,071	\$ 25,071			\$ 25,071	\$ 25,071
Site Improvements	22,709	29,802			22,709	29,802
Building and Improvements	5,825,498	6,073,593			5,825,498	6,073,593
Equipment	50,665	53,759	\$ 16,028	\$ 8,890	66,693	62,649
Totals	\$ 5,923,943	\$ 6,182,225	\$ 16,028	\$ 8,890	\$ 5,939,971	\$ 6,191,115

Overall net Capital Assets decreased by \$251,144 from fiscal year 2020 to fiscal year 2021, representing a fixed asset addition of \$20,668, offset by depreciation expense of \$271,812.

Long-Term Debt:

At year-end, the District had outstanding long-term debt of \$3,040,278 comprised of compensated absences of \$112,379, Serial Bonds of \$981,000 and Net Pension Liability of \$1,946,899. There was no other outstanding debt authorized or issued (Note 6 to the Financial Statements). The amount of debt available for authorization by statute is \$5,791,158, as shown on Exhibit J-13.

Factors Bearing on the District's Future

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,901,914	\$ 266,822	\$ 2,168,736
Receivables, Net	579,196	20,138	599,334
Inventory		4,089	4,089
Restricted Assets:			
Cash	1,090,250		1,090,250
Capital Assets, Net (Note 6)	5,923,943	16,028	5,939,971
Total Assets	<u>9,495,303</u>	<u>307,077</u>	<u>9,802,380</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	937,148		937,148
LIABILITIES			
Current Liabilities:			
Accounts Payable	149,872	14,103	163,975
Unearned Revenue	25,663	12,876	38,539
Accrued Interest	12,290		12,290
Noncurrent Liabilities:			
Due Within One Year	335,000		335,000
Due Beyond One Year	2,705,278		2,705,278
Total Liabilities	<u>3,228,103</u>	<u>26,979</u>	<u>3,255,082</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	911,906		911,906
Net Position			
Invested in Capital Assets, Net of Related Debt	4,942,943	16,028	4,958,971
Restricted for:			
Capital Projects	751,692		751,692
Excess Surplus	964,341		964,341
Unemployment Compensation	155,696		155,696
Scholarships	15,299		15,299
Student Activities	18,045		18,045
Other Purposes	1,060,803		1,060,803
Unrestricted (Deficit)	(1,616,377)	264,070	(1,352,307)
Total Net Position	<u>\$ 6,292,442</u>	<u>\$ 280,098</u>	<u>\$ 6,572,540</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,827,099		\$ 1,013,181	\$ (2,813,918)		\$ (2,813,918)
Special Education	741,013			(741,013)		(741,013)
Other Instruction	49,301			(49,301)		(49,301)
Support Services:						
Tuition	1,202,419			(1,202,419)		(1,202,419)
Student & Instruction Related Services	967,331		207,155	(760,176)		(760,176)
General and Business Administrative Services	178,223			(178,223)		(178,223)
School Administrative Services	174,190			(174,190)		(174,190)
Central Services	186,760			(186,760)		(186,760)
Administrative Information Technology	20,714			(20,714)		(20,714)
Plant Operations and Maintenance	422,545			(422,545)		(422,545)
Pupil Transportation	773,697			(773,697)		(773,697)
Unallocated Benefits	4,106,551		1,694,255	(2,412,296)		(2,412,296)
Interest on Debt	82,309			(82,309)		(82,309)
Internal Service	479,985	527,378		47,393		47,393
Total Governmental Activities	13,212,137	527,378	2,914,591	(9,770,168)		(9,770,168)
Business-type Activities:						
Food Service	264,737	64,526	271,824		71,613	71,613
Total Business-type Activities	264,737	64,526	271,824		71,613	71,613
Total Primary Government	\$ 13,476,874	\$ 591,904	\$ 3,186,415	(9,770,168)	71,613	(9,698,555)
General revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,659,182		2,659,182
Federal and State Aid not restricted				7,707,705		7,707,705
Tuition Fees				37,657		37,657
Miscellaneous Income				76,118		76,118
Transfer To Charter School				(22,994)		(22,994)
Interest Earned					69	69
Total General Revenues, Special Items, Extraordinary Items and Transfers				10,457,668	69	10,457,737
Change in Net Position				687,500	71,682	759,182
Net Position - Beginning				5,412,329	208,416	5,620,745
Prior Period Adjustment				192,613		192,613
Net Position - Beginning Restated				5,604,942	208,416	5,813,358
Net Position - Ending				\$ 6,292,442	\$ 280,098	\$ 6,572,540

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

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,231,234	\$ 33,344	\$	\$ 1,264,578
Cash - Capital Reserve	751,692			751,692
Cash - Maintenance Reserve	338,558			338,558
Accounts Receivables:				
Local School District Tax	197,961		23,632	221,593
Intergovernmental	93,322			93,322
Federal		160,375		160,375
State	99,651			99,651
Interfund Receivable	171,411			171,411
Total Assets	\$ 2,883,829	\$ 193,719	\$ 23,632	\$ 3,101,180
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 42,357	\$ 93,559	\$	\$ 135,916
Unemployment Compensation	1,404			1,404
Payroll Deductions and withholdings Payable	12,552			12,552
Interfund Payable	57,249	106,448	23,631	187,328
Unearned Revenue		25,663		25,663
Total Liabilities	113,562	225,670	23,631	362,863
Fund Balances:				
Restricted For:				
Capital Reserve	751,692			751,692
Maintenance Reserve	338,558			338,558
Emergency Reserve	250,000			250,000
Tuition Reserve	100,000			100,000
Excess Surplus - Designated for Subsequent Year's Expenditures	532,354			532,354
Excess Surplus	431,987			431,987
Unemployment Compensation	155,696			155,696
Scholarship		15,299		15,299
Student Activity		18,045		18,045
Assigned Fund Balance:				
Designated for Subsequent Year's Expenditures	20,985			20,985
Encumbrances	226,260			226,260
Tuition Reserve	125,000			125,000
Unassigned, Reported In:				
General Fund	(162,265)			(162,265)
Special Revenue Fund		(65,295)		(65,295)
Debt Service			1	1
Total Fund Balances (Deficit)	2,770,267	(31,951)	1	2,738,317
Total Liabilities and Fund Balances	\$ 2,883,829	\$ 193,719	\$ 23,632	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,455,444 and the accumulated depreciation is \$4,531,501 (Note 7).	5,923,943
Deferred Outflows of Resources - Deferred Pension Contributions	937,148
Deferred Inflows of Resources - Pension Actuarial gains	(911,906)
Internal Service Fund Net Position	657,508
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(12,290)
Long-term Liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,946,899)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(1,093,379)
Net Position of Governmental Activities	\$ 6,292,442

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 2,375,620		\$ 283,562	\$ 2,659,182
Tuition Fees	37,657			37,657
Unrestricted Miscellaneous Revenues	61,158	9,380		70,538
Interest Earned	5,580			5,580
Total Local Sources	2,480,015	9,380	283,562	2,772,957
State Sources	7,898,977	757,535	97,968	8,754,480
Federal Sources	28,703	635,000		663,703
Total Revenues	10,407,695	1,401,915	381,530	12,191,140
EXPENDITURES				
Current:				
Regular Instruction	2,617,996	1,013,181		3,631,177
Special Education Instruction	724,910			724,910
Other Instruction	49,301			49,301
Support Services:				
Tuition	1,202,419			1,202,419
Student & Instruction Related Services	760,176	207,155		967,331
General Administration	156,752			156,752
School Administrative Services	152,719			152,719
Central Services	186,760			186,760
Administrative Information Technology	20,714			20,714
Plant Operations and Maintenance	409,126			409,126
Pupil Transportation	773,697			773,697
Employee Benefits	2,729,605	180,968		2,910,573
Capital Outlay	50,699			50,699
Debt Service				
Principal			335,000	335,000
Interest			46,530	46,530
Total Expenditures	9,834,874	1,401,304	381,530	11,617,708
Excess (Deficiency) of Revenues Over Expenditures	572,821	611		573,432
OTHER FINANCING SOURCES (USES)				
Transfer to Charter School	(22,994)			(22,994)
Total Other Financing Sources and Uses	(22,994)			(22,994)
Net Change in Fund Balances	549,827	611		550,438
Fund Balance - July 1 (Deficit)	2,064,499	(69,234)	1	1,995,266
Prior Period Adjustment	155,941	36,672		192,613
Fund Balance, July 1, Restated	2,220,440	(32,562)	1	2,187,879
Fund Balance—June 30 (Deficit)	\$ 2,770,267	\$ (31,951)	\$ 1	\$ 2,738,317

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	550,438
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p> <p>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.</p>		
Depreciation expense	\$	(268,386)
Capital outlays		10,679
		(257,707)
Decrease in Accrued Interest		4,241
<p>Pension contributions are reported in governmental funds as expenditures. However, In the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including Service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.</p>		
The issuance of long-term debt through bonds or leases provides current financial resources to the governmental funds, while the repayment of principal on long-term debt represents a use of resources in governmental funds. The payment of long-term debt principal is not a use of funds in the statement of activities.		335,000
Pension Expense recognized for GAAP but not for budgetary purposes.		(61,357)
Increase in Internal Service Fund		47,393
In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year, such as compensated absences. In the governmental funds, however, expenditures are reported when the corresponding financial resources are used or paid.		69,492
Change in Net Position of Governmental Activities (A-2)	\$	687,500

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

PROPRIETARY FUNDS

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities Enterprise Fund Food Service	Governmental Activities Internal Service Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 211,355	\$ 692,803	\$ 904,158
Accounts Receivable:			
State	944		944
Federal	19,194		19,194
Interfund Receivable	57,249		57,249
Other Program Fees		4,255	4,255
Inventory	4,089		4,089
	<u>292,831</u>	<u>697,058</u>	<u>989,889</u>
Total Current Assets			
Noncurrent Assets:			
Furniture, Machinery & Equipment	122,868	10,117	132,985
Less Accumulated Depreciation	(106,840)	(10,117)	(116,957)
	<u>16,028</u>	<u> </u>	<u>16,028</u>
Total Noncurrent Assets			
Total Assets	<u>\$ 308,859</u>	<u>\$ 697,058</u>	<u>\$ 1,005,917</u>
LIABILITIES AND FUND EQUITY:			
Current Liabilities:			
Accounts Payable	\$ 14,103	\$	\$ 14,103
Interfund Payable	1,782	39,550	41,332
Prepaid Latchkey	1,340		1,340
Unearned Revenue	11,536		11,536
	<u>28,761</u>	<u>39,550</u>	<u>68,311</u>
Total Current Liabilities			
Net Position			
Invested in Capital Assets, Net of Related Debt	16,028		16,028
Unrestricted	264,070	657,508	921,578
	<u>280,098</u>	<u>657,508</u>	<u>937,606</u>
Total Net Position			
Total Liabilities & Net Position	<u>\$ 308,859</u>	<u>\$ 697,058</u>	<u>\$ 1,005,917</u>

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund	Total
Operating Revenues:			
Charges for Services:			
Food Sales Reimbursable Programs	\$ 64,526	\$	\$ 64,526
Food Sales Non-Reimbursable Programs	-		-
Changes for services	-	527,378	527,378
Total Operating Revenue:	<u>64,526</u>	<u>527,378</u>	<u>591,904</u>
Operating Expenses:			
Salaries	94,766	435,969	530,735
Employee Benefits		39,550	39,550
Supplies and Materials	14,310		14,310
Cost of Sales - Reimbursable	75,984		75,984
Cost of Sales - Non Reimbursable	25,328		25,328
Management Fees	36,000		36,000
Utilities	12,550		12,550
Miscellaneous	2,948	3,891	6,839
Depreciation	2,851	575	3,426
Total Operating Expenses	<u>264,737</u>	<u>479,985</u>	<u>744,722</u>
Operating Income (Loss)	<u>(200,211)</u>	<u>47,393</u>	<u>(152,818)</u>
Non-operating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	6,183		6,183
Federal Sources:			
National School Lunch Program	165,071		165,071
School Breakfast Program	98,455		98,455
Food Distribution Program	2,115		2,115
Interest	69		69
Total Non-operating Revenues (Expenses)	<u>271,893</u>		<u>271,893</u>
Income (Loss) before Contributions & Transfers	<u>71,682</u>	<u>47,393</u>	<u>119,075</u>
Change in Net Position	71,682	47,393	119,075
Total Net Position - July 1	<u>208,416</u>	<u>610,115</u>	<u>818,531</u>
Total Net Position - June 30	<u>\$ 280,098</u>	<u>\$ 657,508</u>	<u>\$ 937,606</u>

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 64,526	\$ 527,378	\$ 591,904
Payments to Employees	(94,766)	(435,969)	(530,735)
Payments to Suppliers	(159,671)	-	(159,671)
Payment to Others	(27,715)	30,707	2,992
Net Cash Provided by (used for) Operating Activities	<u>(217,626)</u>	<u>122,116</u>	<u>(95,510)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,183		6,183
Federal Sources	265,641		265,641
Interfund Transfer			-
Net Cash Provided by (used for) Non-capital Financing Activities	<u>271,824</u>		<u>271,824</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Purchases of Capital Assets	(9,989)		(9,989)
Net Cash Used by Capital Financing	<u>(9,989)</u>		<u>(9,989)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	69		69
Net Cash Provided by (used for) Investing Activities	<u>69</u>		<u>69</u>
Net Increase (Decrease) in Cash and Cash Equivalents	44,278	122,116	166,394
Balances—Beginning of Year	167,077	570,687	737,764
Balances—End of Year	<u>\$ 211,355</u>	<u>\$ 692,803</u>	<u>\$ 904,158</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	\$ (200,211)	\$ 47,393	\$ (152,818)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	2,851	575	3,426
(Increase)Decrease in Accounts Receivable, Net	34,336	34,598	68,934
(Increase)Decrease in Interfund Receivable, Net	(23,890)		(23,890)
(Increase)Decrease in Inventories	-		-
Increase(Decrease) in Accounts Payable	(3,830)		(3,830)
Increase(Decrease) in Interfund Payable	(24,767)	39,550	14,783
Increase(Decrease) in Unearned Revenue	(2,115)		(2,115)
Total Adjustments	<u>(17,415)</u>	<u>74,723</u>	<u>57,308</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (217,626)</u>	<u>\$ 122,116</u>	<u>\$ (95,510)</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The Lawrence Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of five (5) members elected to three (3) year terms. The purpose of the district is to educate students in grades K-8. The Lawrence Township School District had an enrollment at June 30, 2021 of 480 students.

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

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

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

B. Basic Financial Statements – Governmental Wide Financial Statements

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

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

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

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

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

C. Basic Financial Statements – Fund Financial Statements

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

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

2. Proprietary Funds:

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

a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users of goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district and a latchkey program to provide afterschool child care to the students of the district.

b. Internal Service Fund are used to charge costs for certain activities to individual funds or other governmental entities. The District's internal service fund is comprised of shared business service with other LEA's.

3. Fiduciary Funds:

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

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

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

D. Basis of Accounting

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

1. Accrual:

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

2. Modified Accrual:

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

E. Financial Statement Amounts

1. Cash and Cash Equivalents:

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

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

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

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings

banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental

Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

2. Investments:

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

3. Inventories:

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

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

E. Financial Statement Amounts – (Continued)

4. Capital Assets:

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

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

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

5. Revenues:

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

6. Expenditures:

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

7. Compensated Absences:

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

E. Financial Statement Amounts – (Continued)

7. Interfund Activity:

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

8. Budgets/Budgetary Control:

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

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

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

9. Tuition Receivables:

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

10. Tuition Payable:

Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subjected to change when the actual costs have been determined.

11. Use of Estimates:

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

E. Financial Statement Amounts – (Continued)

12. Allocation of Costs:

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

13. Pensions

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

F. New Accounting Standards

The School District has adopted the following GASB statements:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The adoption of GASB 84 will impact the financial statements of the School District.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of GASB 90 did not impact the financial statements of the School District.

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

- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

F. New Accounting Standards – (Continued)

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

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

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

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

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

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2021, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

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

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

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

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

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

As of June 30, 2021, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Account	<u>\$3,258,986</u>
TOTAL	<u>\$3,258,986</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

Custodial Credit Risk:

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

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2021, the District's bank balance \$3,586,704 and was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	3,336,704
TOTAL	<u>\$ 3,586,704</u>

Interest Rate Risk

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

Credit Risk

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

NOTE 3 - CAPITAL RESERVE ACCOUNT

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

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 746,467
Interest earnings	225
Deposits	
Approved in 2020/2021	750,000
Withdrawals	
Approved 2020/2021 Budget	<u>(745,000)</u>
Ending balance, June 30, 2021	<u>\$ 751,692</u>

NOTE 4 – MAINTENANCE RESERVE

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 – MAINTENANCE RESERVE NOTE (Continued)

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 year is as follows:

Beginning Balance July 1, 2020	\$	338,508
Deposits – Interest		50
Withdrawals – Board Resolution		-
Ending Balance June 30, 2021	\$	<u>338,558</u>

The June 30, 2021 maximum maintenance reserve amount is \$620,000.

NOTE 5 – EMERGENCY RESERVE

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

The activity of the emergency reserve for the July 1, 2020 to June 30, 2021 year is as follows:

Beginning Balance, July 1, 2020	\$	250,000
Approved in 2020/2021 Budget		
Withdrawals		
Ending balance, June 30, 2021	\$	<u>250,000</u>

NOTE 6 - TUITION RESERVE ACCOUNTS

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

As of June 30, 2021, the district has reserved the following amounts in the tuition reserve accounts, of which \$125,000 has been appropriated in the 2021-2022 budget:

2021-2022	\$ 125,000
2022-2023	<u>100,000</u>
TOTAL	<u>\$ 225,000</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 7 - FIXED ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance 7/1/2020	Additions	Adjustment/ Retirements	Ending Balance 6/30/2021
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	\$ 25,071	\$ -	\$ -	\$ 25,071
Total Capital Assets not Being Depreciated	25,071			25,071
Building and Building Improvements	9,712,799			9,712,799
Site Improvements	174,669			174,669
Machinery & Equipment	532,226	10,679		542,905
Totals at Historical Cost	10,444,765	10,679	-	10,455,444
Less Accumulated Depreciation for :				
Building and Improvements	(3,639,206)	(248,095)		(3,887,301)
Site Improvements	(144,867)	(7,093)		(151,960)
Machinery & Equipment	(479,042)	(13,198)		(492,240)
Total Accumulated Depreciation	(4,263,115)	(268,386)	-	(4,531,501)
Government Activities Capital Assets, Net	\$ 6,181,650	\$ (257,707)	\$ -	\$ 5,923,943
	To A-1			To A-1
Business-type Activities - Equipment				
Equipment - Enterprise Fund	\$ 112,879	\$ 9,989		\$ 122,868
Equipment - Internal Service Fund	10,117			10,117
Less Accumulated Depreciation				
Equipment - Enterprise Fund	(103,989)	(2,851)		(106,840)
Equipment - Internal Service Fund	(9,542)	(575)		(10,117)
Business-type Activities Capital Assets, Net	\$ 9,465	\$ 6,563	\$ -	\$ 16,028

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

Instruction:	
Regular	\$ 195,922
Special Education	16,103
Support Services:	
School Administration	21,471
General and Business Administrative Services	21,471
Plant Operations and Maintenance	13,419
Total Depreciation Expense	<u>\$ 268,386</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 8 - OPERATING LEASES

The District has a commitment for copiers under an operating lease. The lease for the copiers is for a term of 60 months. Total operating lease payments made during the year ended June 30, 2021 were \$26,088. Future minimum lease payments are as follows:

<u>Year</u> <u>June 30,</u>	<u>Amount</u>
2022	26,088
2023	26,088
2024	22,692
Total	<u>\$ 74,868</u>

NOTE 9 - GENERAL LONG-TERM DEBT

<u>Type of Debt</u>	<u>Balance at</u> <u>6/30/2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at</u> <u>6/30/2021</u>	<u>Amounts Due</u> <u>Within 1 Year</u>
Compensated absences payable	\$ 181,871	\$ -	\$ 69,492	\$ 112,379	
Bonds payable	1,316,000		335,000	981,000	335,000
Net Pension Liability	1,717,961	228,938		1,946,899	
Total	<u>\$ 3,215,832</u>	<u>\$ 228,938</u>	<u>\$ 404,492</u>	<u>\$ 3,040,278</u>	<u>\$ 335,000</u>

A. Bonds Payable:

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

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

The \$2,345,000 Refunding Bonds, included issuance costs of \$29,454. \$2,296,225 was used to retire bonds from the 1998 issue and \$19,321 was returned to the District. The gross debt service savings to the District is \$95,645 and the economic benefit to the District is estimated to be \$77,042. The balance in these bonds as of June 30, 2021 is \$205,000.

On January 7, 2010, the District issued School Bonds in the amount of \$2,216,000 in order to partially finance the construction of an addition as well as undertake various improvements and renovations to the Myron L. Powell Elementary School. The total cost of the project is \$6,549,146. The project is being permanently funded through the aforementioned Bonds in the amount of \$2,216,000., a grant from the State of New Jersey in the amount of \$4,032,260, the transfer of \$300,000 from the Capital Reserve Account and \$786 of other available Board funds. The balance in these bonds as of June 30, 2021 is \$776,000.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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

The following is a schedule of the future bond principal and interest payments due as of June 30, 2021.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$335,000	\$33,719	\$ 368,719
2023	240,000	20,731	260,731
2024	200,000	11,475	211,475
2025	206,000	3,863	209,863
TOTAL	\$981,000	\$69,788	\$ 1,050,788

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

A. Bond Authorized But Not Issued:

As of June 30, 2021, the Board had no authorized but not issued bonds.

B. Capital Leases Payable:

The district has no capital leases.

NOTE 10. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement System (Continued)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are 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.

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees’ contributions for the year ended June 30, 2021 were 73,668. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2021 is 15.11% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District’s contributions to PERS for the years ended June 30, 2021, and 2020, were \$130,604 and \$93,176 respectively.

The total payroll for the year ended June 30, 2021 was \$5,566,545. Payroll covered by PERS was \$976,241 for fiscal year 2021.

Components of Net Pension Liability - At June 30, 2021, the District’s proportionate share of the PERS net pension liability was \$1,946,899. The net pension liability was measured as of June 30, 2020. The District’s proportion of the net pension liability was based on the District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2020. The District’s proportion measured as of June 30, 2020 was 0.011939% which was an increase of 0.00240% from its proportion measured as of June 30, 2019.

Pension Expense and Deferred Outflows/Inflows of Resources - The District’s 2021 PERS pension expense, with respect to GASB 68, was \$229,390. The District’s 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,450	\$ 6,885
Changes of assumptions	63,160	815,185
Net difference between projected and actual earnings on pension plan investments	66,547	
Changes in proportion	641,387	89,836
Contributions subsequent to the measurement date	130,604	
Total	\$ 937,148	\$ 911,906

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Additional Information - Collective Balances at June 30, 2021 and 2020 are as follows:

Year	2021	2020
Collective deferred outflows of resources	\$ 937,148	\$ 617,038
Collective deferred inflows of resources	\$ 911,906	\$ 759,377
Collective Net Pension Liability	\$ 1,946,899	\$ 1,717,961
District's Proportion	0.011939%	0.009534%

Actuarial Assumptions - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	PERS
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median 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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2020 are summarized in the following table:

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 – PENSION PLANS (CONTINUED)

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

PERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>2,470,093</u>	\$ <u>1,946,899</u>	\$ <u>1,531,255</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 – PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. 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.

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who are 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.

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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. 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. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2021 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$947,139 to the TPAF for pension contributions, \$296,819 for post-retirement benefits on behalf of the School, and \$600 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$300,074 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2021, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2021, the District recognized pension expense of \$1,212,002 and revenue of \$1,212,002 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	TPAF	
	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 based on 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.40%)	Current Discount (5.40%)	1% Increase (6.40%)
State's Share of the Net Pension Liability associated with the District	\$ 22,944,171	\$ 19,490,489	\$ 16,701,179
State's Share of the Net Pension Liability	\$ <u>77,517,093,055</u>	\$ <u>65,993,498,688</u>	\$ <u>56,425,087,777</u>

Defined Contribution Retirement Program (DCRP)

The **Defined Contribution Retirement Program (DCRP)** is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

	Eligibility
1.	State or Local Officials who are elected or appointed on or after July 1, 2007
2.	Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3.	Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4.	Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5.	Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2021, employee contributions totaled \$1,201 and the District's employer contribution, recognized in pension expense, was \$655. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

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

Special Funding Situation

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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

Total OPEB Liability

The State of New Jersey’s total OPEB liability, as of the measurement date of June 30, 2020, was \$67,809,962,608. Of this amount, the total OPEB liability attributable to the School District was \$21,190,788. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03125%. The total OPEB liability for the School District measured as of June 30, 2020 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District’s proportionate share of the total OPEB liability measured as of June 30, 2020 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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:

	TPAF/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 4.45%	3.00% - 7.00%	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2021

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

Discount rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

State of New Jersey	Total OPEB Liability
Balance as of June 30, 2019 Measurement Date	\$ <u>41,729,081,045</u>
Changes for the year:	
Service Cost	1,790,973,822
Interest	1,503,341,357
Changes of Benefit Terms	
Differences between Expected and Actual	11,544,750,637
Changes of Assumptions	12,386,549,981
Benefit Payments	35,781,384
Contributions from Members	<u>(1,180,515,618)</u>
Net Changes	<u>26,080,881,563</u>
Balance as of June 30, 2020 Measurement Date	\$ <u><u>67,809,962,608</u></u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	2.50%	3.50%	4.50%
\$	81,748,410,002	67,809,962,608	56,911,439,160

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	54,738,488,540	67,809,962,608	83,375,182,975

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2021

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

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$1,236,069. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 3,217,314	\$ 2,865,869
Changes of Assumptions	3,604,483	2,417,989
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,521,193	-
Contributions Subsequent to the Measurement Date		
Total	<u>\$ 8,342,990</u>	<u>\$ 5,283,858</u>

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

<u>Measurement Period Ending June 30,</u>	<u>OPEB</u>
2021	\$ 228,293
2022	228,293
2023	228,293
2024	228,293
2025	228,293
Thereafter	<u>1,917,667</u>
Total	<u>\$ 3,059,132</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 12 - COMPENSATED ABSENCES

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

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

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

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

NOTE 13 - DEFERRED COMPENSATION

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

Lincoln Investments
Metropolitan

NOTE 14 - RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$	\$20,909	\$	\$13,664	\$155,696
2019-2020	7,106	5,601	179	23,838	148,451
2018-2019	0	8,705	168	5,250	159,403

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 15 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$171,411	\$57,249
Special Revenue Fund		106,448
Food Service Fund	57,249	
Hawk Latchkey Fund		1,782
Debt Service Fund		23,631
Internal Service Fund		39,550
	<u>\$228,660</u>	<u>\$228,660</u>

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

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

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

NOTE 16 - CONTINGENT LIABILITIES

GRANT PROGRAM

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

LITIGATION

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

NOTE 17 - TAX ABATEMENTS

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 18 - CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$963,805.

NOTE 19 - DEFICIT FUND BALANCES

The District has a deficit in unassigned fund balances of \$(162,265) in the General Fund and \$(65,295) in the Special Revenue Fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(161,729) in the General Fund is less than the last two state aid payments and the Special Revenue deficit of \$(65,295) is equal to the last state aid payments.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 20 - FUND BALANCE

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2021.

RESTRICTED

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

General Fund:

Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$964,341; \$532,354 has been restricted and designated for utilization in the 2021-2022 budget and \$431,987 will be budgeted in the 2022-23 budget.

Capital Reserve Account: As of June 30, 2021, the balance in the capital reserve account is \$751,692, of which \$0 has been appropriated in the 2021-2022 budget. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2021, the balance in the maintenance reserve account is \$338,558. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Emergency Reserve Account: As of June 30, 2021, the balance in the emergency reserve was \$250,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

Tuition Reserve Account – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the District has a restricted fund balance in the amount of \$225,000 in a legal reserve for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective year and \$125,000 of the balance has been appropriated in the 2021-2022 budget.

COMMITTED

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

Other Purposes: As of June 30, 2021, the School District had \$226,260 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

NOTE 20 - FUND BALANCE – (Continued)

ASSIGNED

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

Debt Service Fund:

The Debt Service Fund balance as of June 30, 2021 was \$1.00

For Subsequent Year's Expenditures: The School District has appropriated and included, as an anticipated revenue for the fiscal year ending June 30, 2022, \$20,985 of unassigned general fund balance, and \$125,000 of the Tuition Reserve fund balance at June 30, 2021.

UNASSIGNED

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

General Fund:

As of June 30, 2021, the deficit in unassigned fund balance of the general fund was \$(162,265).

NOTE 21 - RECEIVABLES

Receivables at June 30, 2021 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

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

Receivables:	General Fund	Special Revenue Fund	Debt Service Fund	Enterprise Funds
Governmental	\$ 390,934	\$ 160,375	23,632	\$ 81,642
Other				
Totals	\$ 390,934	\$ 160,375	23,632	\$ 81,642

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 22 - PRIOR YEAR ADJUSTMENT

GASB 84, Fiduciary Activities, was implemented during the fiscal year June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund and Flex Savings Account, which had previously been reported in the Fiduciary Funds, are now reported in the General Fund. The Student Activities Fund and Scholarship Fund are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to the implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 Restated
Statement of Net Activities - Governmental Activities			
Net Position	\$ 5,412,329	\$ 192,613	\$ 5,604,942
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:			
General Fund	2,064,499	155,941	2,220,440
Special Revenue	(69,234)	36,672	(32,562)
Statement of Changes in Fiduciary Net Position - Fiduciary Funds:			
Unemployment Compensation Trust	148,451	(148,451)	
Flex Savings Account	7,490	(7,490)	
Student Activities	21,147	(21,147)	
Scholarship Fund	15,525	(15,525)	

NOTE 23 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2021 through January 24, 2022, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,375,620	\$	\$ 2,375,620	\$ 2,375,620	\$
Tuition Fees				37,657	37,657
Unrestricted Miscellaneous Revenues	20,000		20,000	61,158	41,158
Interest Earned				5,305	5,305
Interest Earned on Maintenance Reserve	50		50	50	
Interest Earned on Capital Reserve Funds	225		225	225	
Total - Local Sources	2,395,895		2,395,895	2,480,015	84,120
State Sources:					
Equalization Aid	5,178,069		5,178,069	5,178,069	
School Choice Aid	443,280		443,280	443,280	
Categorical Transportation Aid	87,111		87,111	87,111	
Categorical Special Education Aid	372,413		372,413	372,413	
Categorical Security Aid	160,344		160,344	160,344	
Extraordinary Aid				95,517	95,517
Non-Public Transportation Aid				2,610	2,610
On-Behalf TPAF Pension Contrib (Non-budgeted)				947,139	947,139
On-behalf Post-Retirement Medical Contribution				296,819	296,819
On-behalf Long-term Disability Contribution				600	600
Reimbursed TPAF Social Security Contributions (Non-budgeted)				300,074	300,074
Total - State Sources	6,241,217		6,241,217	7,883,976	1,642,759
Federal Sources:					
Medicaid Reimbursements	24,158		24,158	28,703	4,545
	24,158		24,158	28,703	4,545
TOTAL REVENUES	8,661,270		8,661,270	10,392,694	1,731,424
EXPENDITURES:					
Current Expense:					
Salaries of Teachers:					
Local Contrib. - Transfer to Special Rev. - Inclusion	\$1,000		\$1,000		\$1,000
Pre School Salaries of Teachers		700	700	\$699	1
Kindergarten	299,402	(19,496)	279,906	275,048	4,858
Grades 1-5	1,203,303	(117,593)	1,085,710	1,080,675	5,035
Grades 6-8	644,758	273,575	918,333	918,329	4
Regular Programs - Home Instruction:					
Salaries of Teachers	2,500	(199)	2,301		2,301
Purchased Professional-Educational Services	5,000	199	5,199	5,199	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	71,142	74,990	146,132	145,424	708
Other Purchased Services	74,000	(14,455)	59,545	56,513	3,032
Purchased Professional-Educational Services	1,000		1,000		1,000
General Supplies	132,819	(49,687)	83,132	39,403	43,729
Textbooks	83,000	29,315	112,315	96,408	15,907
Other Objects	1,500	(1,192)	308	298	10
Total Regular Programs - Instruction	\$ 2,519,424	\$ 176,157	\$ 2,695,581	\$ 2,617,996	\$ 77,585

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:					
Special Education - Learning/language Disabilities					
Salaries of Teachers	\$ 144,290	\$ 184,662	\$ 328,952	\$ 327,113	\$ 1,839
Total Learning/language Disabilities	144,290	184,662	328,952	327,113	1,839
Resource Room/Resource Center					
Salaries of Teachers	272,520	(134,380)	138,140	138,137	3
Other Salaries for Instruction	223,984	48,111	272,095	259,660	12,435
Total Resource Room/Resource Center	496,504	(86,269)	410,235	397,797	12,438
Preschool Disabilities					
Salaries of Teachers	65,280	(65,280)			
Other Salaries for Instruction	31,827	(31,827)			
Total Preschool Disabilities-Full Time	97,107	(97,107)			
Total Special Education - Instruction	737,901	1,286	739,187	724,910	14,277
Basic Skills/Remedial - Instruction					
Salaries of Teachers		1,581	1,581	1,580	1
Total Basic Skills/Remedial - Instruction		1,581	1,581	1,580	1
Bilingual Education					
Salaries of Teachers	27,801		27,801	27,800	1
Total Bilingual Education	27,801		27,801	27,800	1
School Sponsored Co-curricular Activities - Instruction					
Salaries of Teachers	18,000		18,000	7,329	10,671
Purchased Services	2,500		2,500		2,500
Supplies and Materials	1,500		1,500		1,500
Total School Sponsored Co-curr. Act. - Instr.	22,000		22,000	7,329	14,671
School Sponsored Athletics - Athletics					
Salaries of Teachers	25,000		25,000	12,374	12,626
Other Purchased Services	2,500		2,500		2,500
Supplies and Materials	7,250		7,250	218	7,032
Total School Sponsored Athletics - Instruction	34,750		34,750	12,592	22,158
Total Instruction	3,341,876	179,024	3,520,900	3,392,207	128,693
Undistributed Expenditures:					
Instruction					
Tuition to Other LEA's Within State-Regular	332,334	10,525	342,859	342,858	1
Tuition to Other LEA's Within State-Special	55,793	24,723	80,516	79,436	1,080
Tuition to County Voc. School Dist-Regular	178,494	30,042	208,536	208,535	1
Tuition to County Voc. School Dist-Special	88,314	15,652	103,966	97,773	6,193
Tuition - CSSD & Regular Day Schools	182,512	96,677	279,189	276,354	2,835
Tuition to Priv Sch for the Disabled W/ State	240,139	(73,017)	167,122	164,771	2,351
Tuition - Other		70,835	70,835	32,692	38,143
Total Instruction	1,077,586	175,437	1,253,023	1,202,419	50,604
Attendance and Social Work Services:					
Salaries	49,134	(13,972)	35,162	35,162	
Total Attendance and Social Work Services	49,134	(13,972)	35,162	35,162	
Health Services:					
Salaries	93,672	(2,073)	91,599	91,599	
Purch Professional/Technical Services	3,700		3,700	1,637	2,063
Other Purchase Services		137	137	136	1
Supplies and Materials	5,000	(1,188)	3,812	1,698	2,114
Equipment		1,051	1,051	1,050	1
Total Health Services	\$ 102,372	\$ (2,073)	\$ 100,299	\$ 96,120	\$ 4,179

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Speech, OT, PT and Related Services:					
Salaries	\$ 88,930	\$ (19,630)	\$ 69,300	\$ 69,300	
Purchased Professional/Educational Services	22,500	(1,752)	20,748	5,651	15,097
Supplies and Materials	2,000	(225)	1,775	249	1,526
Other Objects		225	225	225	
Total Speech, OT, PT and Related Services	113,430	(21,382)	92,048	75,425	16,623
Other Support Services-Students-Extra Services:					
Salaries	142,284	(138,851)	3,433		3,433
Group Insurance		33,699	33,699	33,699	
Purchased Professional/Educational Services	49,926	115,475	165,401	165,365	36
Total Other Support Serv-Students-Extra Services	192,210	10,323	202,533	199,064	3,469
Guidance					
Salaries of Other Professional Staff	64,981	(60,971)	4,010	4,009	1
Total Undistributed Services Guidance	64,981	(60,971)	4,010	4,009	1
Other Support Services-Students-Child Study Teams:					
Salaries of Other Professional Staff	156,846	174	157,020	157,020	
Salaries of Secretarial and Clerical Assistants	44,398		44,398	44,398	
Purchased Professional - Educational Services	28,000	4,099	32,099	32,099	
Other Purchased Prof. and Tech. Services	1,500	(1,500)			
Other Purchased Services	7,620	(7,287)	333	333	
Misc. Pur. Serv. (400-500 series O/than Resid Costs)		5,861	5,861	5,861	
Supplies and Materials	6,000	(1,156)	4,844	4,843	1
Other Objects	550	1,521	2,071	2,071	
Total Other Support Serv-Child Study Teams	244,914	1,712	246,626	246,625	1
Improvement of Instruction Services:					
Salaries of Other Professional Staff	8,000	(1,115)	6,885		6,885
Total Improvement of Instruction Services	8,000	(1,115)	6,885		6,885
Instructional Staff Training Services:					
Salaries of Other Professional Staff	50,415	(1,740)	48,675	46,415	2,260
Other Salaries	51,665	1,740	53,405	53,405	
Purchased Professional/Educational Services	11,100	(10,000)	1,100		1,100
Other Purchased Services	4,000		4,000	2,300	1,700
Other Objects	2,200		2,200	1,651	549
Total Instructional Staff Training Services	\$ 119,380	\$ (10,000)	\$ 109,380	\$ 103,771	\$ 5,609

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Support Services - General Administration:					
Salaries	\$ 80,802	\$	\$ 80,802	\$ 74,753	\$ 6,049
Legal Fees	15,000		15,000	7,657	7,343
Audit Fees	21,900	375	22,275	22,275	
Other Purchased Prof Services	5,600		5,600	4,089	1,511
Purchased Technical Services	3,800		3,800	3,696	104
Communications/Telephone	40,000	242	40,242	24,841	15,401
Misc. Purch Serv (400-500) [Other than 530 & 585]	15,272		15,272	9,069	6,203
General Supplies	3,000		3,000	605	2,395
Miscellaneous Expenditures	1,600	17,814	19,414	4,688	14,726
BOE Other Purchased Services	4,500	579	5,079	5,079	
Total Support Services - School Administration	191,474	19,010	210,484	156,752	53,732
Support Services - School Administration:					
Salaries of Principals/Asst. Principals/Prog Dir	73,302	656	73,958	73,958	
Salaries of Secretarial/Clerical Assistants	46,542	(656)	45,886	45,781	105
Other Salaries	10,798		10,798	5,370	5,428
Purchased Professional and Technical Services	11,400	222	11,622	11,622	
Other Purchased Services	8,500	(2,500)	6,000	5,650	350
Supplies and Materials	15,000	(195)	14,805	2,075	12,730
Other Objects	2,750	16,729	19,479	8,263	11,216
Total Support Services - School Administration	168,292	14,256	182,548	152,719	29,829
Central Services:					
Salaries	157,675	7,760	165,435	165,435	
Purchased Technical Services	20,000		20,000	20,000	
Misc. Purchased Services	2,850	(2,525)	325	325	
Supplies and Maintenance	1,100	(949)	151	10	141
Misc. Expenditures	250	21,105	21,355	990	20,365
Total Central Services	181,875	25,391	207,266	186,760	20,506
Administrative Information Technologys:					
Purchased Technical Services	30,000	(4,286)	25,714	20,714	5,000
Total Admin.	30,000	(4,286)	25,714	20,714	5,000
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	96,100		96,100	59,010	37,090
General Supplies	2,500		2,500		2,500
Total Required Maintenance for School Facilities	98,600		98,600	59,010	39,590
Other Operation and Maintenance of Plant Services:					
Salaries	187,212	(30,000)	157,212	120,322	36,890
Purchased Professional/Technical Services	30,000		30,000	29,015	985
Cleaning, Repair and Maintenance Services	42,850	12,665	55,515	45,324	10,191
Insurance	39,460	(16,683)	22,777	22,776	1
Miscellaneous Purchased Services	2,800	434	3,234	3,234	
General Supplies	38,000	(2,000)	36,000	3,559	32,441
Energy (Natural Gas)	35,000	5,755	40,755	35,326	5,429
Energy (Electricity)	108,600		108,600	85,566	23,034
Other Objects	3,350	1,646	4,996	4,994	2
Total Other Operation and Maint. of Plant Services	487,272	(28,183)	459,089	350,116	108,973
Total Operation and Maintenance of Plant Services	\$ 585,872	\$ (28,183)	\$ 557,689	\$ 409,126	\$ 148,563

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Student Transportation Services:					
Sal. For Pupil Trans (Btw Home & School) - Reg	\$ 24,670	\$ 1,728	\$ 26,398	\$ 24,642	\$ 1,756
Other Purchased Professional and Technical Serv	1,000	334	1,334	1,333	1
Contracted Services - Aid in Lieu Payments - Non-Pub.	14,000	(1,534)	12,466	12,325	141
Contracted Services - Aid in Lieu Payments - Charter Sch	1,000	(295)	705	701	4
Contracted Services - Aid in Lieu Payments - Choice Sch	5,000	(3,000)	2,000	1,184	816
Contracted Services - (Bet. Home and Sch.) - Vendors	560,987	(69,481)	491,506	476,874	14,632
Contract Serv (Other than Btw Home & School) Vendors	30,000	(29,680)	320	320	
Contracted Services - ESC & CTSA	397,000	(140,830)	256,170	256,158	12
General Supplies	300	(81)	219	160	59
Total Student Transportation Services	1,033,957	(242,839)	791,118	773,697	17,421
Unallocated Benefits					
Social Security Contributions	115,000		115,000	104,535	10,465
Other Retirement Contributions - PERS	138,846		138,846	130,604	8,242
Unemployment Compensation	30,000		30,000		30,000
Workmen's Compensation	47,124	965	48,089	48,087	2
Health Benefits	1,009,929	(56,915)	953,014	894,963	58,051
Tuition Reimbursement	5,000		5,000		5,000
Other Employee Benefits	12,000	(965)	11,035	6,784	4,251
Total Unallocated Benefits	1,357,899	(56,915)	1,300,984	1,184,973	116,011
On-Behalf TPAF Pension Contrib (Non-budgeted)				947,139	(947,139)
On-Behalf TPAF Post Retirem. Medical Contrib.(Non-budgeted)				296,819	(296,819)
On-behalf Long-term Disability Contribution				600	(600)
Reimbursed TPAF Soc. Sec. Contrib. (Non-budgeted)				300,074	(300,074)
Total Undistributed Expenditures	5,521,376	(195,607)	5,325,769	6,391,968	(1,066,199)
Interest Deposit to Maintenance Res	50		50		50
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 8,863,302	\$ (16,583)	\$ 8,846,719	\$ 9,784,175	\$ (937,456)

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CAPITAL OUTLAY:					
Undistributed Expenditures:					
Equipment					
Instruction	\$ 6,000	\$ 154,690	\$ 160,690	\$ 2,793	\$ 157,897
Custodial Services	36,500	(13,805)	22,695	7,886	14,809
Security	32,000	(32,000)			
Required Maintenance for School Facilities	10,000	(3,885)	6,115		6,115
Total Undistributed Expenditures	84,500	105,000	189,500	10,679	178,821
Facilities Acquisition and Construction Services:					
Construction Services	745,000	(30,000)	715,000		715,000
Land and Improvements					
Assessment for Debt Service on SDA Funding	40,020		40,020	40,020	
Total Facilities Acquisition and Construction Services	785,020	(30,000)	755,020	40,020	715,000
Interest Deposit to Capital Res	225		225		225
TOTAL CAPITAL OUTLAY	869,745	75,000	944,745	50,699	894,046
TOTAL EXPENDITURES	9,733,047	58,417	9,791,464	9,834,874	(43,410)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(1,071,777)	(58,417)	(1,130,194)	557,820	1,688,014
Transfer to Charter School			(22,994)	(22,994)	
Total Other Financing Sources			(22,994)	(22,994)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,071,777)	(81,411)	(1,153,188)	534,826	1,688,014
Fund Balances, July 1	2,671,502		2,671,502	2,671,502	
Prior Period Adjustment				155,941	155,941
Fund Balances, July 1 Restated				2,827,443	
Fund Balances, June 30	\$ 1,599,725	\$ (81,411)	\$ 1,518,314	\$ 3,362,269	\$ 1,843,955

RECAPITULATION :

Restricted Fund Balance:

Capital Reserve	\$ 751,692
Maintenance Reserve	338,558
Emergency Reserve	250,000
Tuition Reserve	100,000
Excess Surplus	431,987
Excess Surplus - Designated for Subsequent Year's Expenditures	532,354
Unemployment Compensation	155,696

Assigned Fund Balance:

Encumbrances	226,260
Tuition Reserve	125,000
Designated for Subsequent Year's Expenditures	20,985
Unassigned Fund Balance	429,737

3,362,269

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment not Recognized on GAAP Basis (592,002)

Fund Balance per Governmental Funds (GAAP) \$ 2,770,267

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources	\$	\$ 46,052	\$ 46,052	\$ 9,380	\$ 36,672
Federal Sources	367,394	389,134	756,528	635,000	121,528
State Sources	653,953		653,953	639,201	14,752
Total Revenues	<u>1,021,347</u>	<u>435,186</u>	<u>1,456,533</u>	<u>1,283,581</u>	<u>172,952</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	472,486	(36,866)	435,620	435,620	
Other Salaries for Instruction	163,771	3,897	167,668	167,668	
General Supplies	32,037	212,718	244,755	119,779	124,976
Other Purchased Services	133,075	42,644	175,719	175,719	
Total Instruction	<u>801,369</u>	<u>222,393</u>	<u>1,023,762</u>	<u>898,786</u>	<u>124,976</u>
Support Services					
Salaries of Other Professional Staff		5,265	5,265	5,265	
Salaries of Master Teacher	72,430		72,430	72,430	
Employee Benefits	109,433	71,535	180,968	180,968	
Other Purchased Services	5,000		5,000	5,000	
Transportation		12,000	12,000	12,000	
Travel	5,000	(400)	4,600		4,600
Travel-Field Trips	12,000	(12,000)			
Communications/Telephone		10,232	10,232	10,232	
Materials and Supplies		83,524	83,524	92,935	
Scholarships Awarded		16,799	16,799	1,500	15,299
Student Activities		25,838	25,838	7,793	18,045
Total Support Services	<u>203,863</u>	<u>212,793</u>	<u>416,656</u>	<u>388,123</u>	<u>28,533</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	16,115		16,115		16,115
Total Facilities Acquisition and Constr. Serv.	<u>16,115</u>		<u>16,115</u>		<u>16,115</u>
Total Expenditures	<u>1,021,347</u>	<u>435,186</u>	<u>1,456,533</u>	<u>1,286,909</u>	<u>169,624</u>
Other Financing Sources (Uses)					
Total Outflows	<u>1,021,347</u>	<u>435,186</u>	<u>1,456,533</u>	<u>1,286,909</u>	<u>169,624</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
				<u>(3,328)</u>	<u>3,328</u>
Fund Balance, July 1					
Prior Period Adjustment				36,672	
Fund Balance, July 1 (Restated)				<u>36,672</u>	
Fund Balance, June 30				\$ <u>33,344</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 15,299	
Student Activities				<u>18,045</u>	
Total Fund Balance				\$ <u>33,344</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGET-TO-GAAP RECONCILIATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 10,392,694		[C-2] \$ 1,283,581
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			114,395
Current Year			
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.	607,003		69,234
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(592,002)		(65,295)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>10,407,695</u>		[B-2] \$ <u>1,401,915</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 9,834,874		[C-2] \$ 1,286,909
Differences - budget to GAAP			
Encumbrances for supplies and equipment or not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			114,395
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ <u>9,834,874</u>		[B-2] \$ <u>1,401,304</u>

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.011939%	0.009534%	0.998083%	0.814060%	0.860831%	0.806251%	0.007100%
District's Proportionate Share of the Net Pension Liability	\$ 1,946,899	\$ 1,717,961	\$ 1,965,175	\$ 1,895,002	\$ 2,549,535	\$ 1,809,873	\$ 1,329,374
District's Covered-Employee Payroll	\$ 976,241	\$ 929,171	\$ 761,949	\$ 671,710	\$ 649,003	\$ 535,649	\$ 565,567
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	199.43%	184.89%	257.91%	282.12%	392.84%	337.88%	235.05%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	48.72%

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 130,604	93,176	75,414	\$ 76,475	\$ 69,316	\$ 58,534	\$ 53,799
Contributions in relation to the Contractually Required Contribution	(130,604)	(93,176)	(75,414)	(76,475)	(69,316)	(58,534)	(53,799)
Contribution Deficiency (Excess)	<u>\$</u>	<u></u>	<u></u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 976,241	929,171	761,949	\$ 671,710	\$ 649,003	\$ 535,649	N/A
Contributions as a Percentage of Covered-Employee Payroll	13.38%	10.03%	9.90%	11.39%	10.68%	10.93%	N/A

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.029599%	0.031854%	0.029603%	0.029973%	0.029719%	0.028916%	0.031380%
District's Proportionate Share of the Net Pension Liability	\$ 19,490,489	19,549,051	\$ 18,832,825	\$ 20,209,134	\$ 23,378,600	\$ 18,276,441	\$ 16,771,755
District's Covered-Employee Payroll	\$ 4,176,372	3,980,788	\$ 3,338,564	\$ 3,184,233	\$ 3,197,992	\$ 2,997,423	\$ 3,065,268
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	466.68%	491.08%	564.10%	634.66%	731.04%	609.74%	547.15%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	28.71%	28.71%	33.64%

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

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 549,289	\$ 580,344	\$ 583,577	\$ 672,981
Interest Cost	451,166	532,138	555,074	478,156
Changes of Benefit Terms				
Differences Between Expected and Actual Experiences	4,158,745	(1,762,431)	(998,846)	
Changes of Assumptions	3,870,829	186,652	(1,532,516)	(1,993,891)
Member Contributions	11,182	11,391	12,342	12,872
Gross Benefit Payments	(368,914)	(384,280)	(357,099)	(349,566)
Net Change in Total OPEB Liability	<u>8,672,297</u>	<u>(836,186)</u>	<u>(1,737,468)</u>	<u>(1,179,448)</u>
Total OPEB Liability - Beginning	<u>13,354,677</u>	<u>13,354,677</u>	<u>15,092,145</u>	<u>16,271,593</u>
Total OPEB Liability - Ending	<u>\$ 22,026,974</u>	<u>\$ 12,518,491</u>	<u>\$ 13,354,677</u>	<u>\$ 15,092,145</u>
Covered-Employee Payroll	<u>\$ 5,152,613</u>	<u>\$ 4,909,959</u>	<u>\$ 4,100,513</u>	<u>\$ 3,855,943</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	427.49%	254.96%	325.68%	391.40%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: The decrease in the Total OPEB Liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premium experiences. The increase in liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The increase in the liability from June 30, 2018 to June 30, 2019 is due to the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions. The increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	NCLB	NCLB	Cares	Pre-	Scholarship	Student	Sub-Total	Totals	
	Title I							Title II	Act
	2020-21					Fund	E-1(2)		
REVENUES:									
Local Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources	223,450	26,511	69,667		1,274	4,691	3,415	9,380	38.00
State Sources				639,201			315,372	635,000	472,641
Total Revenues	223,450	26,511	69,667	639,201	1,274	4,691	318,787	1,283,581	972,857
EXPENDITURES:									
Instruction:									
Salaries of Teachers	158,000			277,620				435,620	404,909
Other Salaries for Instruction		18,200	13,786	135,682				167,668	103,205
General Supplies	2,250	1,031	15,117	17,225			84,156	119,779	50,807
Other Purchased Serv.							175,719	175,719	160,836
Total Instruction	160,250	19,231	28,903	430,527			259,875	898,786	719,757
Support Services:									
Salaries of Other Professional Staff							5,265	5,265	77,132
Salaries of Master Teacher				72,430				72,430	
Employee Benefits	63,200	7,280	1,055	109,433				180,968	154,118
Purchased Professional Educational Services									2,500
Contr. Serv. Trans (Field Trips)									1,450
Travel									638
Other Purchased Professional Services				5,000				5,000	
Transportation				12,000				12,000	
Communications/Telephone							10,232	10,232	
Materials and Supplies			39,709	9,811			43,415	92,935	17,300
Scholarships Awarded					1,500			1,500	
Student Activities						7,793		7,793	
Total Support Services	63,200	7,280	40,764	208,674	1,500	7,793	58,912	388,123	253,138
Facilities Acquisition/Construction:									
Instructional Equipment									
Non-Instructional Equipment									
Total Facilities Acquisition/Construction									
Total Expenditures	\$ 223,450	\$ 26,511	\$ 69,667	\$ 639,201	\$ 1,500	\$ 7,793	\$ 318,787	\$ 1,286,909	\$ 972,895
Excess (Deficiency) of Revenues Over (Under) Expenditures					\$ (226)	\$ (3,102)		\$ (3,328)	
Fund Balance, July 1									
Prior Period Adjustment					15,525	21,147		36,672	
Fund Balance, July 1 (Restated)					15,525	21,147		36,672	
Fund Balance June 30					\$ 15,299	\$ 18,045		\$ 33,344	

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	<u>IDEA</u>							<u>Totals 2021</u>
	<u>Basic Flow- Through</u>	<u>Pre- School</u>	<u>NCLB Title IV</u>	<u>Digital Divide</u>	<u>Covid Relief</u>	<u>REAP</u>	<u>Safety Grant</u>	
REVENUES:								
Local sources				\$		\$	\$	\$
Federal Sources	\$ 171,096	\$ 4,623	\$ 17,332	66,824	45,265	10,232	3,415	3,415
State Sources								315,372
Total Revenues	<u>171,096</u>	<u>4,623</u>	<u>17,332</u>	<u>66,824</u>	<u>45,265</u>	<u>10,232</u>	<u>3,415</u>	<u>318,787</u>
EXPENDITURES:								
Instruction:								
General Supplies			17,332	66,824				84,156
Other Purchased Services	171,096	4,623						175,719
Total Instruction	<u>171,096</u>	<u>4,623</u>	<u>17,332</u>	<u>66,824</u>				<u>259,875</u>
Support Services:								
Salaries of Other Profes. Staff					5,265			5,265
Communications/Telephone						10,232		10,232
Supplies and Materials					40,000		3,415	43,415
Total Support Services					<u>45,265</u>	<u>10,232</u>	<u>3,415</u>	<u>58,912</u>
Facilities Acquisition/Construction:								
Instructional Equipment								
Total Facilities Acquisition/Construction								
Total Expenditures	<u>\$ 171,096</u>	<u>\$ 4,623</u>	<u>\$ 17,332</u>	<u>\$ 66,824</u>	<u>\$ 45,265</u>	<u>\$ 10,232</u>	<u>\$ 3,415</u>	<u>\$ 318,787</u>

LAWRENCE TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 277,620	\$ 277,620	\$
Other Salaries for Instruction	135,682	135,682	
Supplies	19,673	17,225	2,448
Total Instruction	432,975	430,527	2,448
Support:			
Salaries - Masters Teachers	72,430	72,430	
Personal Services - Employee Benefits	109,433	109,433	
Travel	4,600		4,600
Other Professional Services	5,000	5,000	
Transportation	12,000	12,000	
Supplies	9,811	9,811	
Total Support Services	213,274	208,674	4,600
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment	6,704		6,704
Total Facilities Acquisition and Const. Services:	6,704		6,704
Total Expenditures	\$ 652,953	\$ 639,201	\$ 13,752

CALCULATION OF BUDGET & CARRYOVER

Total revised 2020-21 Preschool Education Aid Allocation	\$ 652,953	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2020)		(2)
Add: Budgeted Transfer from the General Fund 2020-21		(3)
Total Preschool Education Aid Funds Available for 2020-21 Budget	652,953	(4)
Less: 2020-21 Budgeted Preschool Education Aid (including prior year budget carryover)	(652,953)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021		(6)
Add: June 30, 2021 Unexpended Preschool Education Aid	13,752	(7)
Less: 2020-21 Commissioner-approved Transfer to the General Fund		(8)
2020-21 Carryover - Preschool Education Aid/Preschool Programs	\$ 13,752	(9)
 2020-21 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2021-22	 \$	 (10)

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINED SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021 AND 2020

	Food Service Fund	Hawk Latchkey	Total	
			2021	2020
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 190,867	\$ 20,488	\$ 211,355	\$ 167,077
Accounts Receivable:				
State	944		944	896
Federal	19,194		19,194	24,904
Interfund Receivable	57,249		57,249	33,359
Other				28,674
Inventories	4,089		4,089	4,089
Total Current Assets	<u>272,343</u>	<u>20,488</u>	<u>292,831</u>	<u>258,999</u>
Fixed Assets:				
Equipment	122,868		122,868	112,879
Accumulated Depreciation	(106,840)		(106,840)	(103,989)
Total Fixed Assets	<u>16,028</u>		<u>16,028</u>	<u>8,890</u>
Total Assets	<u>288,371</u>	<u>20,488</u>	<u>308,859</u>	<u>267,889</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	14,103		14,103	17,933
Interfund Payable		1,782	1,782	26,549
Prepaid Summer Camp		1,340	1,340	1,340
Prepaid Latchkey		7,997	7,997	7,997
Unearned Revenue	3,539		3,539	5,654
Total Current Liabilities	<u>17,642</u>	<u>11,119</u>	<u>28,761</u>	<u>59,473</u>
Total Liabilities	<u>17,642</u>	<u>11,119</u>	<u>28,761</u>	<u>59,473</u>
Deferred Inflow of Resources				
NET POSITION:				
Investment in Fixed Assets	16,028		16,028	8,890
Unrestricted	254,701	9,369	264,070	199,526
Total Net Position	<u>\$ 270,729</u>	<u>\$ 9,369</u>	<u>\$ 280,098</u>	<u>\$ 208,416</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	Food Service Fund	Hawk Latchkey	Total	
			2021	2020
OPERATING REVENUES:				
Local Sources:				
Food Sales Reimbursable Programs	\$ 64,526	\$	\$ 64,526	\$ 28,007
Food Sales Non-Reimbursable Programs				66,500
After School Childcare Fees				17,742
Total Operating Revenue	64,526		64,526	112,249
OPERATING EXPENSES:				
Salaries	94,766		94,766	78,140
Supplies and Materials	14,310		14,310	12,210
Cost of Sales	75,984		75,984	100,057
Cost of Sales - Non Program Food	25,328		25,328	21,745
Repairs and Maintenance				1,489
Management Fee	36,000		36,000	35,000
Miscellaneous	2,948		2,948	43,315
Utilities	12,550		12,550	
Depreciation	2,851		2,851	2,518
Total Operating Expenses	264,737		264,737	294,474
Operating Income/(Loss)	(200,211)		(200,211)	(182,225)
NON-OPERATING REVENUES:				
State Sources:				
State School Lunch Program	6,183		6,183	3,378
Federal Sources:				
National School Lunch Program	165,071		165,071	145,350
School Breakfast Program	98,455		98,455	74,680
Food Distribution Program	2,115		2,115	13,728
Interest		69	69	96
Total Non-Operating Revenues	271,824	69	271,893	237,232
Change in Net Assets Before Operating Transfers In/(out)	71,613	69	71,682	55,007
Net (Loss)/Income	71,613	69	71,682	55,007
Net Position - July 1	199,116	9,300	208,416	99,341
Prior Year Pension Adjustment				54,068
Net Position - June 30	\$ 270,729	\$ 9,369	\$ 280,098	\$ 208,416

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

	Food Service Fund	Hawk Latchkey	Total	
			2021	2020
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 64,526	\$ -	\$ 64,526	\$ 112,249
Payments to Employees	(94,766)		(94,766)	(78,140)
Payments to Suppliers	(159,671)		(159,671)	(154,409)
Payments to Others	(2,948)	(24,767)	(27,715)	(46,228)
Net Cash Provided by (Used for) Operating Activities	(192,859)	(24,767)	(217,626)	(166,528)
Cash Flows from Non-capital Financing Activities				
State Sources	6,183		6,183	3,378
Federal Sources	265,641		265,641	233,758
Interfund Transfer				
Net Cash Provided by (Used for) Non-capital Financing Activities	271,824		271,824	237,136
Cash Flows from Capital Financing Activities				
Purchases of Capital Assets	(9,989)		(9,989)	
Net Cash Provided by (Used for) Capital Financing	(9,989)		(9,989)	
Cash Flows from Investing Activities				
Interest and Dividends		69	69	96
Net Cash Provided by (Used for) Investing Activities		69	69	96
Net Increase/(Decrease) in Cash and Cash Equivalents	68,976	(24,698)	44,278	70,704
Balances - Beginning of Year	121,891	45,186	167,077	96,373
Balances - End of Year	\$ 190,867	\$ 20,488	\$ 211,355	\$ 167,077
Operating Income/(Loss)	\$ (200,211)		\$ (200,211)	\$ (182,225)
Adjustments to Reconcile Operating Income/(Loss)				
to Cash Used by Operating Activities:				
Depreciation	2,851		2,851	2,518
Federal Commodities				
Change in Assets and Liabilities:				
Decrease/(Increase) in Accounts Receivable	34,336		34,336	(31,116)
Decrease/(Increase) in Interfund Receivable	(23,890)		(23,890)	116,156
Decrease/(Increase) in Other Program Fees Receivable				
Decrease/(Increase) in Inventory				3,115
Increase/(Decrease) in Outflow of Resources				
Increase/(Decrease) in Accounts Payable	(3,830)		(3,830)	(77,717)
Increase/(Decrease) in Interfund Payable		(24,767)	(24,767)	(2,913)
Increase/(Decrease) in Pension Accounts Payable				
Increase/(Decrease) in Cash Overdraft				
Increase/(Decrease) in Prepaid Latchkey/Summer		7,997	7,997	
Increase/(Decrease) in Unearned Revenue	(2,115)	(7,997)	(10,112)	5,654
Increase/(Decrease) in Inflow of Resources				
Increase/(Decrease) in Net Pension Liability				
Total Adjustments	7,352	(24,767)	(17,415)	15,697
Net Cash Used by Operating Activities	\$ (192,859)	\$ (24,767)	\$ (217,626)	\$ (166,528)

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

	<u>Internal Service Fund</u>
ASSETS	
Current Assets:	
Cash and Cash equivalents	\$ 692,803
Accounts Receivable	4,255
	<hr/>
Total current assets	697,058
	<hr/>
Fixed Assets:	
Equipment	10,117
Accumulated Depreciation	(10,117)
	<hr/>
Total Fixed Assets	
Total Assets	697,058
	<hr/>
LIABILITIES	
Current Liabilities	
Interfund Payable	39,550
	<hr/>
Total Current Liabilities	39,550
	<hr/>
NET POSITION:	
Invested in Capital Assets Net of Related Debt	-
Unrestricted:	657,508
	<hr/>
Total Net Position	\$ 657,508
	<hr/> <hr/>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
JUNE 30, 2021

	<u>Child Study Team</u>	<u>Shared Business Services</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services:			
Business Services	\$	\$ 137,000	\$ 137,000
Child Study Team	390,378		390,378
	<u>390,378</u>	<u>137,000</u>	<u>527,378</u>
Total operating revenues			
	<u>390,378</u>	<u>137,000</u>	<u>527,378</u>
OPERATING EXPENSES			
Salaries	290,242	145,727	435,969
Employee Benefits	39,550		39,550
Depreciation		575	575
Miscellaneous	2,770	1,121	3,891
	<u>332,562</u>	<u>147,423</u>	<u>479,985</u>
Total Operating Expenses			
	<u>332,562</u>	<u>147,423</u>	<u>479,985</u>
Operating income/(loss)	57,816	(10,423)	47,393
NET POSITION, JULY 1, 2020		610,115	610,115
	<u>57,816</u>	<u>599,692</u>	<u>657,508</u>
NET POSITION JUNE 30, 2021	<u>\$</u>	<u>\$</u>	<u>\$</u>
	<u>57,816</u>	<u>599,692</u>	<u>657,508</u>

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

	<u>Internal Service Fund</u>
Cash Flow From Operating Activities	
Receipts from customers and Users	\$ 527,378
Payment to employees	(435,969)
Payment to employee benefits	-
Payment to other	30,707
	122,116
Cash Flow From Financing Activities	
Purchase of Equipment	-
	-
Net cash provided by non-capital financing activities	
	-
Net increase/(decrease) in cash and cash equivalents	
Cash and cash equivalents July 1	570,687
Cash and cash equivalents June 30	\$ 692,803
	-
Operating Income/(Loss)	\$ 47,393
Adjustments to Reconcile Operating Income/(Loss) to Cash Used by Operating Activities:	
Depreciation	575
Change in Assets and Liabilities:	
Decrease/(Increase) in Accounts Receivable	34,598
Increase/(Decrease) in Interfund Payable	39,550
Total Adjustments	74,723
Net Cash Used by Operating Activities	\$ 122,116

LONG-TERM DEBT SCHEDULES

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate Range	Balance			
			Date	Amount		July 1, 2020	Issued	Retired	June 30, 2021
School Refunding Bonds Series 2007	12/27/07	\$ 2,345,000	3/1/22	\$ 155,000	3%-4.16%	\$ 365,000	\$	\$ 160,000	\$ 205,000
			3/1/23	50,000					
Myron L Powell Elementary School Additions Series 2010	1/21/10	2,216,000	9/1/21	180,000	2.75% - 3.75%	951,000	\$	175,000	776,000
			9/1/22	190,000					
			9/1/23	200,000					
			9/1/24	206,000					
						<u>\$ 1,316,000</u>	<u>\$</u>	<u>\$ 335,000</u>	<u>\$ 981,000</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u> <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 283,562	\$	\$ 283,562	\$ 283,562	\$
State Sources:					
Debt Service Aid Type II	97,968		97,968	97,968	
Total Revenues	381,530		381,530	381,530	
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	46,531		46,531	46,531	
Interest on Bonds	335,000		335,000	335,000	
Total Expenditures	381,531		381,531	381,531	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)		(1)	(1)	
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1)		(1)	(1)	
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	\$ -	\$	\$ -	\$	\$
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$	\$	\$	\$	\$

STATISTICAL SECTION

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 4,295,003	\$ 4,594,871	\$ 5,077,440	\$ 5,139,584	\$ 5,232,199	\$ 5,263,369	\$ 5,980,113	\$ 6,107,505	\$ 4,866,225	\$ 4,942,943
Restricted	1,861,213	2,300,067	2,232,898	2,134,952	2,224,506	2,253,547	1,988,209	2,049,426	2,400,517	2,965,876
Unrestricted (Deficit)	(85,708)	238,453	(20,280)	(1,312,032)	(1,432,709)	(1,574,290)	(1,621,116)	(1,753,003)	(1,854,413)	(1,616,377)
Total Governmental Activities Net Position	\$ 6,070,508	\$ 7,133,391	\$ 7,290,058	\$ 5,962,504	\$ 6,023,996	\$ 5,942,626	\$ 6,347,206	\$ 6,403,928	\$ 5,412,329	\$ 6,292,442
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 98,328	\$ 91,939	\$ 84,947	\$ 77,955	\$ 30,197	\$ 26,729	\$ 13,924	\$ 11,408	\$ 8,890	\$ 16,028
Unrestricted	17,476	31,057	66,670	33,078	41,722	48,999	72,483	87,933	199,526	264,070
Total Business-Type Activities Net Position	\$ 115,804	\$ 122,996	\$ 151,617	\$ 111,033	\$ 71,919	\$ 75,728	\$ 86,407	\$ 99,341	\$ 208,416	\$ 280,098
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 4,393,331	\$ 4,686,810	\$ 5,162,387	\$ 5,217,539	\$ 5,262,396	\$ 5,290,098	\$ 5,994,037	\$ 6,118,913	\$ 4,875,115	\$ 4,958,971
Restricted	1,861,213	2,300,067	2,232,898	2,168,030	2,266,228	2,302,546	1,988,209	2,049,426	2,400,517	2,965,876
Unrestricted (Deficit)	(68,232)	269,510	46,390	(1,312,032)	(1,432,709)	(1,574,290)	(1,548,633)	(1,665,070)	(1,654,887)	(1,352,307)
Total District-Wide Net Position	\$ 6,186,312	\$ 7,256,387	\$ 7,441,675	\$ 6,073,537	\$ 6,095,915	\$ 6,018,354	\$ 6,433,613	\$ 6,503,269	\$ 5,620,745	\$ 6,572,540

Source: CAFR Schedule A-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,278,437	2,274,341	2,567,778	2,484,080	2,315,227	2,491,312	2,487,054	2,740,806	3,372,100	3,627,099
Special Education	848,676	770,426	700,584	661,458	706,546	801,951	907,819	1,161,356	676,394	741,013
Other Special Instruction	190,636	172,115	100,026	263,007	81,742	46,438	40,580	28,765		
Other	39,749	50,948	58,426	55,654	34,745	37,200	42,064	43,374	73,544	49,301
Support Services										
Tuition	2,065,829	2,049,782	2,181,410	2,387,209	2,546,448	2,205,357	1,613,747	1,424,796	1,552,565	1,202,419
Student and Instruction Related Services	439,958	476,349	555,285	556,559	627,560	721,161	847,459	936,545	853,433	967,331
General Administrative Services	383,046	362,142	366,823	372,146	376,135	397,545	386,730	384,868	160,563	178,223
School Administrative Services	194,948	209,091	190,402	197,367	189,938	213,150	184,113	183,665	198,874	174,190
Central Services									197,621	186,760
Administrative Information Technology									19,286	20,714
Plant Operations and Maintenance	529,213	480,580	489,078	483,154	453,102	492,244	484,959	548,125	501,955	422,545
Pupil Transportation	728,121	724,617	683,056	652,393	644,708	646,848	723,359	894,508	769,872	773,697
Other Support Services	1,544,495	1,704,147	1,544,406	2,458,355	2,774,116	3,543,968	3,275,769	3,785,490	3,592,548	4,106,551
Transfer to Charter School							50,569	25,036		
Interest on long-term debt	105,788	128,567	119,107	109,215	99,053	88,489	77,320	67,050	87,808	82,309
Internal Service	89,353	120,244	69,115	72,748	75,939	170,747	123,952	159,879	498,202	479,985
Debt Service Assessment		25,954	40,020	40,020	40,020	40,020	40,020	40,020		
Amortization of Debt Issuance Cost	4,382	4,382								
Total Governmental Activities Expenses	9,442,631	9,553,685	9,665,516	10,793,365	10,965,279	11,896,430	11,285,494	12,424,283	12,554,765	13,212,137
Business-Type Activities										
Food Service	295,526	309,511	308,187	291,745	284,569	339,540	310,265	270,412	257,385	264,737
Child Care	48,075	28,347	28,077	34,802	36,451	33,418	32,506	57,203	37,089	
Total Business-Type Activities Expense	343,601	337,858	336,264	326,547	321,020	372,958	342,771	327,615	294,474	264,737
Total District Expenses	\$ 9,786,232	9,891,543	10,001,780	11,119,912	11,286,299	12,269,388	11,628,265	12,751,898	12,849,239	13,476,874
Program Revenues										
Governmental Activities										
Central and Other Support Services	\$ 141,800	204,400	106,000	106,000	106,000	181,000	184,000	184,000		
Operating Grants and Contributions	517,370	675,617	575,190	1,381,218	1,161,342	2,278,263	1,932,978	2,307,835	3,133,296	3,441,969
Total Governmental Activities Program Revenues	659,170	880,017	681,190	1,487,218	1,267,342	2,459,263	2,116,978	2,491,835	3,133,296	3,441,969
Business-Type Activities										
Charges for Services										
Food Service	68,595	74,080	74,078	74,255	75,170	121,625	131,374	100,675	94,507	64,526
Child Care	38,591	43,149	47,302	47,095	65,647	40,495	46,283	45,635	17,742	
Operating Grants and Contributions	204,084	227,393	243,324	221,855	198,932	196,732	185,870	193,961	237,136	271,824
Total Business-Type Activities Program Revenues	311,270	344,622	364,704	343,205	339,749	358,852	363,527	340,271	349,385	336,350
Total District Program Revenues	\$ 970,440	1,224,639	1,045,894	1,830,423	1,607,091	2,818,115	2,480,505	2,832,106	3,482,681	3,778,319
Net (Expense)/Revenue										
Governmental Activities	\$ (8,783,461)	(8,673,668)	(8,984,326)	(9,306,147)	(9,697,937)	(9,437,167)	(9,168,516)	(9,932,448)	(9,421,469)	(9,770,168)
Business-Type Activities	(32,331)	6,764	28,440	16,658	18,729	(14,106)	20,756	12,656	54,911	71,613
Total District-Wide Net Expense	\$ (8,815,792)	(8,666,904)	(8,955,886)	(9,289,489)	(9,679,208)	(9,451,273)	(9,147,760)	(9,919,792)	(9,366,558)	(9,698,555)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied for General Purposes, Ne	\$ 1,927,691	1,927,691	1,927,691	2,157,571	2,204,384	2,204,384	2,248,472	2,283,372	2,329,039	2,375,620
Taxes Levied for Debt Service	280,567	246,709	287,122	150,749	148,639	141,813	132,582	285,232	275,228	283,562
Grants and Contributions	7,286,639	7,288,360	6,925,625	6,930,461	7,417,991	7,005,734	7,170,235	7,342,221	6,909,359	7,707,705
Tuition Received	2,882	61,684	24,241	9,629	8,689				51,921	37,657
Transportation Fees Received									2,856	
Investment Earnings	34,376	20,077	11,781	10,903	6,458	6,384	5,871	6,224		
Miscellaneous Income	39,336	196,430	10,991	19,812	11,720	15,231	19,728	63,536	64,078	76,118
Adjustment					(16,973)					
Adjustment to Fixed Assets	(2)	(4,400)		(51,923)	(21,479)		(3,791)	2,585	(1,325,381)	
Prior Year Pension Adjustment									124,886	
Transfers						(17,749)			(2,116)	(22,994)
Total Governmental Activities	9,571,489	9,736,551	9,187,451	9,227,202	9,759,429	9,355,797	9,573,097	9,983,170	8,429,870	10,457,668
Business-Type Activities										
Investment and Miscellaneous Earnings		2	181	225	221	166	209	278	96	69
Fixed Asset Adjustment					(58,994)		(10,286)		54,068	
Transfers		426			930	17,749				
Total Business-Type Activities	-	428	181	225	(57,843)	17,915	(10,077)	278	54,164	69
Total District-Wide	\$ 9,571,489	9,736,979	9,187,632	9,227,427	9,701,586	9,373,712	9,563,020	9,983,448	8,484,034	10,457,737
Change in Net Position										
Governmental Activities	\$ 788,028	1,062,883	203,125	(78,945)	61,492	(81,370)	404,581	56,722	(991,599)	687,500
Business-Type Activities	(32,331)	7,192	28,621	16,883	(39,114)	3,809	10,679	12,934	109,075	71,682
Total District-Wide	\$ 755,697	1,070,075	231,746	(62,062)	22,378	(77,561)	415,260	69,656	(882,524)	759,182

Source: CAFR Schedule A-2

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

	<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>	<u>2021</u>
General Fund										
Restricted	\$ 1,663,958	\$ 2,040,321	\$ 1,792,170	\$ 1,760,849	\$ 1,976,821	\$ 2,150,863	\$ 1,988,208	\$ 2,032,337	\$ 1,479,863	\$ 2,560,287
Assigned:								17,087	920,654	372,245
Unassigned (Deficit)	(257,396)	(264,550)	(281,638)	(282,616)	(318,729)	(303,398)	(299,654)	(330,092)	(336,018)	(162,265)
Total General Fund	\$ 1,406,562	\$ 1,775,771	\$ 1,510,532	\$ 1,478,233	\$ 1,658,092	\$ 1,847,465	\$ 1,688,554	\$ 1,719,332	\$ 2,064,499	\$ 2,770,267
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund (Deficit)	\$ (31,470)	\$ (27,350)	\$ (39,684)	\$ (29,037)	\$ (32,909)	\$ (24,198)	\$ (28,069)	\$ (49,485)	\$ (69,234)	\$ (31,951)
Capital Projects Fund	227,035	532,684	522,684	387,684	247,684	102,684				
Debt Service Fund	32,000		1	2	1		1	2	1	1
Total All Other Governmental Funds	\$ 227,565	\$ 505,334	\$ 483,001	\$ 358,649	\$ 214,776	\$ 78,486	\$ (28,068)	\$ (49,483)	\$ (69,233)	\$ (31,950)

Source: CAFR Schedule B-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 2,208,258	\$ 2,174,400	\$ 2,214,813	\$ 2,308,320	\$ 2,353,023	\$ 2,346,197	\$ 2,381,054	\$ 2,568,604	\$ 2,604,267	\$ 2,659,182
Tuition Charges	2,882	61,684	24,241	9,629	8,689				51,921	37,657
Transportation Charges									2,856	
Interest Earnings	34,376	20,077	11,781	10,903	6,458	6,384	5,871	6,224	6,510	5,580
Miscellaneous	39,336	196,430	10,991	19,812	11,720	15,231	19,728	63,536	57,568	70,538
State Sources	7,155,397	7,465,355	7,036,875	7,088,908	7,260,510	7,409,662	7,698,356	7,935,065	8,177,769	8,754,480
Federal Sources	648,612	498,622	463,940	476,626	440,801	454,900	451,399	577,471	603,024	663,703
Total Revenues	10,088,861	10,416,568	9,762,641	9,914,198	10,081,201	10,232,374	10,556,408	11,150,900	11,503,915	12,191,140
Expenditures										
Instruction										
Regular Instruction	2,179,652	2,137,101	2,419,526	2,355,927	2,186,829	2,329,641	2,359,678	2,603,028	3,177,150	3,631,177
Special Education Instruction	830,715	745,473	673,628	638,157	683,201	772,556	884,660	1,136,305	660,602	724,910
Other Special Instruction	190,636	172,115	100,026	263,007	81,742	46,438	40,560	28,765		
School sponsored/other instruction	39,749	50,948	58,426	55,654	34,745	37,200	42,064	43,374	73,544	49,301
Support Services										
Tuition	2,065,829	2,049,782	2,181,410	2,387,209	2,546,448	2,205,357	1,613,747	1,424,796	1,552,565	1,202,419
Student and Instruction Related Services	439,958	476,349	555,285	556,559	627,560	721,161	847,459	936,545	853,433	967,331
General Administration	179,522	153,655	155,361	155,746	154,966	162,664	176,586	159,631	160,563	156,752
School Administrative Services	171,599	176,652	149,716	167,076	159,590	174,937	154,006	151,099	178,344	152,719
Central Services	180,175	176,048	182,066	186,109	190,821	196,668	180,037	192,671	177,091	186,760
Administrative Information Technology									19,286	20,714
Plant Operations and Maintenance	513,048	458,124	464,819	462,183	432,091	465,789	464,115	525,580	487,743	409,126
Pupil Transportation	730,316	724,617	683,056	652,393	644,708	646,848	723,359	894,508	769,872	773,697
Employee Benefits	1,544,495	1,736,503	1,511,958	1,691,216	1,800,614	1,961,726	2,210,441	2,533,353	2,623,125	2,910,573
Charter Schools								50,569	25,036	
Capital Outlay	737,109	315,623	507,573	97,094	77,389	56,287	678,298	96,484	66,285	50,699
Debt Service:										
Principal	265,000	265,000	285,000	290,000	305,000	310,000	315,000	320,000	325,000	335,000
Interest and Other Charges	140,081	131,600	122,363	112,519	102,538	92,019	81,294	70,363	51,779	46,530
Total Expenditures	10,207,884	9,769,590	10,050,213	10,070,849	10,028,242	10,179,291	10,821,873	11,141,538	11,176,382	11,617,708
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(119,023)	646,978	(287,572)	(156,651)	52,959	53,083	(265,465)	9,362	327,533	573,432
Other Financing Sources (Uses)										
Transfers Out	(6,659)	(9,000)	(3,058)	(1,000)	(7,265)	(11,000)	(19,678)		(2,116)	(22,994)
Proceeds from Capital Lease			88,613							
Total Other Financing Sources (Uses)	(6,659)	(9,000)	85,555	(1,000)	(7,265)	(11,000)	(19,678)	9,362	(2,116)	(22,994)
Net Change in Fund Balances	\$ (125,682)	\$ 637,978	\$ (202,017)	\$ (157,651)	\$ 45,694	\$ 42,083	\$ (285,143)	\$ 9,362	\$ 325,417	\$ 550,438
Debt Service as a Percentage of										
Noncapital Expenditures	4.28%	4.20%	4.27%	4.04%	4.10%	3.97%	3.91%	3.53%	3.49%	3.49%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transport-</u> <u>ation</u>	<u>Prior</u> <u>Year</u> <u>Revenue</u>	<u>Student</u> <u>Activity</u>	<u>ERATE</u>	<u>Township</u>	<u>Misc.</u>	<u>Total</u>
2021	\$ 5,580	\$ 37,657		\$ 1,900		\$ 36,221		\$ 23,037	\$ 104,395
2020	6,510	51,921	2,856			13,856		39,881	115,024
2019	6,224					18,055	8,846	36,597	69,722
2018	5,871			1,581		6,768		8,869	23,089
2017	6,384					8,089		7,142	21,615
2016	6,458	8,689				9,454			24,601
2015	10,903	9,629				9,908		6,530	36,970
2014	11,781	24,241				9,426			45,448
2013	20,077	64,143			162,500	10,100		19,843	276,663
2012	34,376	2,882				21,533		7,842	66,633

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2021	\$ 11,009,200	\$ 186,482,200	\$ 17,147,700	\$ 2,291,000	\$ 8,584,200	\$ 2,950,000	\$ 290,000	\$ 228,754,300	\$ 1,138,476	\$ 229,892,776	\$ 1.166	\$ 232,781,419
2020	11,231,800	186,446,100	17,278,100	2,293,400	12,991,000			230,240,400	1,005,378	231,245,778	1.139	224,559,056
2019	11,566,000	187,426,700	17,150,200	2,245,700	12,991,000			231,379,600	985,985	232,365,585	1.114	226,753,822
2018	12,005,100	188,247,300	17,336,100	2,226,300	12,337,400			232,152,200	984,675	233,136,875	1.062	224,453,447
2017	12,085,200	188,999,800	17,202,800	2,225,800	12,230,500			232,744,100	985,037	233,729,137	1.012	216,586,730
2016	12,775,900	191,528,000	17,523,600	2,211,900	11,466,100			235,505,500	979,731	236,485,231	0.994	208,615,023
2015	13,641,000	192,650,700	18,252,600	2,218,000	11,940,400			238,702,700	1,014,932	239,717,632	0.973	211,073,216
2014	13,844,900	193,201,100	19,376,700	2,359,700	10,429,400			239,211,800	985,757	240,197,557	0.942	216,559,660
2013								240,919,500	1,186,683	242,106,183	0.907	
2012								243,350,000	1,394,305	244,744,305	0.896	

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

R Revaluation

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

Year Ended June 30,	Stow Creek Township and Regional Boards of Education			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total District	Lawrence Township	Cumberland County	Total
2021	\$ 1.019	\$ 0.147	\$ 1.166	\$ 0.551	\$ 1.209	\$ 2.926
2020	0.995	0.144	1.139	0.531	1.215	2.885
2019	0.967	0.147	1.114	0.521	1.180	2.815
2018	0.945	0.117	1.062	0.489	1.145	2.696
2017	0.898	0.114	1.012	0.467	1.084	2.563
2016	0.882	0.112	0.994	0.453	1.001	2.448
2015	0.863	0.110	0.973	0.411	0.986	2.370
2014	0.836	0.103	0.942	0.382	0.948	2.272
2013	0.804	0.114	0.907	0.366	0.940	2.213
2012	0.782	0.073	0.896	0.344	0.938	2.178

Source: District Records and Municipal Tax Collector

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

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

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

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
AG-Mart Produce INC	\$ 3,512,600	1.54%	\$ 2,261,600	
Eastern Fresh Growers INC	1,700,000	0.74%		
SF Systems CO	1,403,700	0.61%	2,947,000	
Bell Atlantic Prop	1,138,476	0.50%	1,729,905	
Taxpayer #1	984,000	0.43%	1,271,100	
Taxpayer #2	653,500	0.29%	653,500	
E Puglisi & Sons LLC	612,100	0.27%		
Nardelli Bros	604,300	0.26%		
Taxpayer #3	557,800	0.24%		
Taxpayer #4	552,200	0.24%		
AG-Mart Produce INC- Procacci Bros			3,200,000	
Taxpayer#5			881,800	
Cedarville Cooperative			700,000	
Taxpayer #6			628,700	
Taxpayer #7			618,500	
Total	\$ 8,206,076	3.59%	\$ 9,801,505	0.00%

Source: District CAFR & Municipal Tax Assessor

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the Fiscal</u> <u>Year</u>	<u>Collected Within the Fiscal</u> <u>Year of the Levy</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>% of Levy</u>	
2021	\$ 2,659,182	\$ 2,437,589	92%	\$ 221,593
2020	2,604,267	2,604,267	100%	
2019	2,568,604	2,568,604	100%	
2018	2,381,054	2,381,054	100%	
2017	2,346,197	2,346,197	100%	
2016	2,353,023	2,353,023	100%	
2015	2,308,320	2,308,320	100%	
2014	2,214,813	2,214,813	100%	
2013	2,174,400	2,174,400	100%	
2012	2,208,258	2,208,258	100%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Per Capita ^a			
2021	\$ 981,000	\$	\$	\$	\$ 981,000	0.79%	\$ 326	
2020	1,316,000				1,316,000	1.07%	432	
2019	1,641,000				1,641,000	1.33%	530	
2018	1,961,000				1,961,000	1.58%	616	
2017	2,276,000				2,276,000	1.90%	711	
2016	2,586,000				2,586,000	2.21%	801	
2015	2,891,000				2,891,000	2.49%	883	
2014	3,181,000				3,181,000	2.69%	965	
2013	3,466,000				3,466,000	2.96%	1,048	
2012	3,731,000				3,731,000	3.19%	1,129	

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2021	\$ 981,000	\$	\$ 981,000	\$ 0.42%	326
2020	1,316,000		1,316,000	0.59%	432
2019	1,641,000		1,641,000	0.72%	515
2018	1,961,000		1,961,000	0.84%	613
2017	2,276,000		2,276,000	0.97%	705
2016	2,586,000		2,586,000	1.09%	790
2015	2,891,000		2,891,000	1.21%	877
2014	3,181,000		3,181,000	1.32%	962
2013	3,466,000		3,466,000	1.43%	1,049
2012	3,731,000		3,731,000	1.52%	1,134

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Lawrence	\$ 1,491,144	100%	\$ 1,491,144
Other debt			
County of County - Township's share	101,224,050	2.580%	2,611,402
Subtotal, Overlapping Debt			<u>4,102,546</u>
Lawrence Township School District Direct Debt			981,000
Total Direct and Overlapping Debt			<u><u>\$ 5,083,546</u></u>

Sources: Lawrence Township Finance Officer and Cumberland County Finance Office

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized Valuation Basis	
	2018	\$ 227,510,976
	2019	225,670,145
	2020	224,034,640
		<u>[A] \$ 677,215,761</u>
Average Equalized Valuation of Taxable Property		<u>[A/3] \$ 225,738,587</u>
Debt Limit (3% of Average Equalization Value)	[B]	6,772,158 ^a
Net Bonded School Debt	[C]	981,000
Legal Debt Margin	[B-C]	<u>\$ 5,791,158</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>	<u>2021</u>
Debt Limit	\$ 7,095,134	\$ 7,111,141	\$ 6,910,235	\$ 6,651,366	\$ 6,410,762	\$ 6,424,270	\$ 6,556,293	\$ 6,716,931	\$ 4,531,811	\$ 6,772,158
Total Net Debt Applicable to Limit	<u>3,731,000</u>	<u>3,466,000</u>	<u>3,181,000</u>	<u>2,891,000</u>	<u>2,586,000</u>	<u>2,276,000</u>	<u>1,961,000</u>	<u>1,641,000</u>	<u>1,316,000</u>	<u>981,000</u>
Legal Debt Margin	<u>\$ 3,364,134</u>	<u>\$ 3,645,141</u>	<u>\$ 3,729,235</u>	<u>\$ 3,760,366</u>	<u>\$ 3,824,762</u>	<u>\$ 4,148,270</u>	<u>\$ 4,595,293</u>	<u>\$ 5,075,931</u>	<u>\$ 3,215,811</u>	<u>\$ 5,791,158</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	52.59%	48.74%	46.03%	43.46%	40.34%	35.43%	29.91%	24.43%	29.04%	14.49%

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

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

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

Year	Population ⁽¹⁾	Personal Income (thousands of dollars) ⁽²⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2021 *	3,009	\$ 124,325,463	\$ 41,320	9.18%
2020	3,024	122,913,377	41,278	10.80%
2019	3,056	126,020,272	41,237	6.00%
2018	3,088	122,244,656	39,587	7.30%
2017	3,154	122,397,278	38,807	8.50%
2016	3,183	119,734,911	37,617	9.20%
2015	3,205	118,315,780	36,916	10.60%
2014	3,228	114,677,928	35,526	12.20%
2013	3,256	112,224,552	34,467	13.50%
2012	3,276	111,980,232	34,182	15.90%

* Estimate

Source:

- ¹ Population information provided by the NJ Dept of Labor and Workforce Development
- ² Personal income
- ³ Per Capita
- ⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

<u>Employer*</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees*</u>	<u>Percentage of Total Employmen</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,659	5.47%	2,837	20.05%
Americold formerly AGRO Merchants	1,260	1.88%	N/A	N/A
F & S Produce/Pipcp Transportstion	1,066	1.59%	525	3.71%
Wal-Mart	820	1.23%	806	5.70%
Duramd Glass Manufacturing Co./ARC	750	1.12%	970	6.85%
Safeway Fresh Foods	712	1.06%	N/A	N/A
ShopRite	707	1.06%	737	5.21%
WaWa	658	0.98%	562	3.97%
Sheppard Bus Service	594	0.89%	520	3.67%
Northeast Precast	430	0.64%	N/A	N/A
	<u>10,656</u>	<u>15.93%</u>	<u>N/A</u>	<u>49.16%</u>

*Cumberland County

Source: Cumberland County

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

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

<u>Function/Program</u>	<u>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>	<u>2021</u>
Instruction										
Regular	37.0	38.0	40.0	39.5	38.0	41.0	42.0	39.0	39.0	42.0
Special Education	10.0	8.0	7.0	8.0	7.0	7.0	4.0	5.0	6.0	7.0
Other special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student & Instruction Related Services	1.0	2.0	2.0	4.0	3.0	8.0	11.0	22.0	26.0	23.0
General Administrative Services	1.5	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5
School Administrative Services	3.5	3.0	4.0	4.0	4.0	4.7	4.0	5.0	5.0	4.0
Other Administrative Services										1.0
Central Services	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0	4.0	4.0
Administrative Information Technology										
Plant Operations and Maintenance	5.7	5.7	5.7	5.7	5.2	5.2	4.0	4.0	3.0	4.0
Pupil Transportation										
Other Support Services										
Contracted Service - Speech										
Special Schools										
Food Service - Contracted										
Totals	<u>60.7</u>	<u>60.7</u>	<u>61.7</u>	<u>64.2</u>	<u>60.2</u>	<u>69.9</u>	<u>68.0</u>	<u>78.0</u>	<u>84.0</u>	<u>86.5</u>

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	466	\$ 9,065,694	\$ 19,454	-0.22%	55.0	9 to 1	470.4	445.8	8.39%	94.77%
2013	504	9,057,367	17,971	-7.62%	47.0	10 to 1	501.0	470.0	6.51%	93.81%
2014	510	9,135,277	17,912	-0.33%	46.0	9 to 1	508.0	483.0	1.40%	95.08%
2015	499	9,571,236	19,181	7.08%	47.0	10 to 1	496.0	471.0	-2.36%	94.96%
2016	486	9,543,315	19,636	2.38%	47.0	9 to 1	482.0	457.0	-2.82%	94.81%
2017	472	9,720,985	20,595	4.88%	45.0	8 to 1	476.0	445.0	-1.24%	93.49%
2018	465	9,747,281	20,962	1.78%	48.0	10 to 1	469.0	442.0	-1.47%	94.24%
2019	460	10,654,691	23,162	10.50%	46.0	10 to 1	498.0	459.0	6.18%	92.17%
2020	506	11,110,097	21,957	-5.21%	45.0	11 to 1	506.0	495.4	1.61%	97.91%
2021	480	11,567,009	24,098	4.04%	49.0	10 to 1	479.0	438.0	-3.82%	91.44%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

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

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

<u>District Building</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>	<u>2021</u>
<u>Elementary</u>										
M.L. Powell Elementary (1885)	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149
Square Feet	628	628	628	628	628	628	628	628	628	628
Capacity (Students)	466	504	510	499	486	472	465	460	506	480
Enrollment										

Number of Schools at June 30, 2021

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

Source: District records, ASSA

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

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

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

<u>School Facilities</u>	<u>Project #</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Myron Powell School		\$ 59,010	\$ 87,941	\$ 96,937	\$ 71,172	\$ 75,224	\$ 46,407	\$ 44,856	\$ 21,890	\$ 85,866	\$ 72,874
Total School Facilities		<u>59,010</u>	<u>87,941</u>	<u>96,937</u>	<u>71,172</u>	<u>75,224</u>	<u>46,407</u>	<u>44,856</u>	<u>21,890</u>	<u>85,866</u>	<u>72,874</u>
Other Facilities											
Grand Total		<u>\$ 59,010</u>	<u>\$ 87,941</u>	<u>\$ 96,937</u>	<u>\$ 71,172</u>	<u>\$ 75,224</u>	<u>\$ 46,407</u>	<u>\$ 44,856</u>	<u>\$ 21,890</u>	<u>\$ 85,866</u>	<u>\$ 72,874</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
Utica National	Commercial Package Policy		
	Property		
	Blanket Building & Contents	\$ 13,199,486	\$ 1,000
	Utility Services - Time Element	500,000	1,000
	General Liability	3,000,000	
	Flood	1,000,000	25,000
	Earthquake - Volcanic Eruption	1,000,000	25,000
	Employee Benefits	1,000,000	1,000
	Governmental Crime	100,000	500
	Abuse or Molestation Liability	1,000,000	
	Employee Related Practrices Liability	1,000,000	5,000
	Inland Marine		
	Computer	177,550	500
	Miscellaneous Property	500,000	500
	Valuable Papers & Records	100,000	500
	Signs	30,000	
	Commercial Auto Coverage	1,000,000	100
Board of Education Liability	1,000,000	7,500	
Governmental Crimes-Computer Funds Transfer	100,000	500	
NJSBIA	Workers' Compensation and Employers Liability	3,000,000	
Berkley Life & Health Ins	Basic Student Accident Liability	1,000,000	
US Fire Ins. Company	Catastrophic Student Accident	2,500,000	25,000
Ohio Casualty Ins. Co	Surety Bonds		
	Board Secretary/Business Administrator	189,000	

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education of the Lawrence Township School District's basic financial statements, and have issued our report thereon dated January 28, 2022.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lawrence Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance, or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and are described in the accompanying schedule of findings and questioned costs as items labeled Finding 2021-1.

Lawrence Township Board of Education's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
January 28, 2022

NIGHTLINGER, COLAVITA & VOLPA

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Lawrence Township School District's major state programs for the fiscal year ended June 30, 2021. The Lawrence Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Lawrence Township Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements by the *Office of School Finance, Department of Education, State of New Jersey, and New Jersey Treasury Circular OMB 15-08*. Those standards, and the *State of New Jersey Treasury Circular OMB 15-08*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

An audit includes examining, on a test basis, evidence about the Lawrence Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

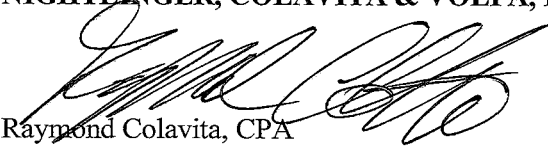
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated January 28, 2022. However, material weaknesses may exist that have not been identified.

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant

No. 915
January 28, 2022

**TOWNSHIP OF LAWRENCE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2020		Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance at June 30, 2021			
							Accounts Receivable	Unearned Revenue					Accounts Receivable	Unearned Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
E.S.E.A.																
Title I, Part A	84.010	S010A200030	ESEA 2570-20	\$ 243,582	7/1/19	9/30/20	\$ (131,738)	\$	\$ 131,738	\$	\$	\$	\$	\$	\$	
Title I, Part A	84.010	S010A200030	ESEA 2570-21	223,450	7/1/20	6/30/21			158,000	(223,450)		(223,450)	(65,450)			
Title II, Part A	84.367A	S367A200029	ESEA 2570-20	35,219	7/1/19	9/30/20	(18,037)		18,037							
Title II, Part A	84.367A	S010A200029	ESEA 2570-21	26,511	7/1/20	6/30/21			11,041	(26,511)		(26,511)	(15,470)			
Title IV	84.424A	S424A200031	ESEA 2570-20	13,796	7/1/19	9/30/20	(7,611)		7,611							
Title IV	84.424A	S424A200031	ESEA 2570-21	17,332	7/1/20	6/30/21			17,332	(17,332)		(17,332)				
IDEA Cluster:																
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	IDEA 2570-20	161,764	7/1/19	9/30/20	(49,690)		49,690							
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	IDEA 2570-21	171,096	7/1/20	9/30/21			116,884	(171,096)		(171,096)	(54,212)			
I.D.E.A. Part B, Pre-School	84.173	H173A200114	IDEAPS 2570-21	4,623	7/1/20	9/30/21			4,623	(4,623)		(4,623)				
Digital Divide	84.425D	S425D200027	N/A	66,824	7/16/20	10/31/20			66,824	(66,824)		(66,824)				
REAP	84.358A	S358A182736	S358A182736	10,232	7/1/20	9/30/21			10,232	(10,232)		(10,232)				
Covid Relief	21.019	N/A	21E00041	45,265	7/1/20	12/31/20			45,265	(45,265)		(45,265)				
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES2570-20	199,010	3/13/20	9/30/22	(129,343)		173,767	(69,667)		(69,667)	(25,243)			
Total Special Revenue Fund							(336,419)		811,044	(635,000)		(635,000)	(160,375)			
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Non-Cash Assistance:																
Food Distribution Program	10.565	Unknown	NA	9,921	7/1/19	6/30/20			2,115	(2,115)		(2,115)				
Cash Assistance:																
Child Nutrition Cluster:																
National School Breakfast Program	10.553	201NJ304N1099	NA	74,680	7/1/19	6/30/20	(9,612)		9,612							
National School Breakfast Program	10.553	211NJ304N1099	NA	98,455	7/1/20	6/30/21			92,588	(98,455)		(98,455)	(5,867)			
National School Lunch Program	10.555	201NJ304N1099	NA	145,350	7/1/19	6/30/20	(15,292)		15,292							
National School Lunch Program	10.555	211NJ304N1099	NA	165,071	7/1/20	6/30/21			151,744	(165,071)		(165,071)	(13,327)			
Total Enterprise Fund							(24,904)		269,236	(265,641)		(265,641)	(19,194)			
Total Federal Financial Awards							\$ (361,323)	\$ 2,115	\$ 1,080,280	\$ (900,641)	\$	\$ (900,641)	\$ (179,569)	\$	\$	\$

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

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

TOWNSHIP OF LAWRENCE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020			Cash Received	Budgetary Expenditures	Balances at June 30, 2021			Budgetary Receivable	MEMO Cumulative Total Expenditures
					(Accounts Receivable)/	Unearned Revenue	Due to Grantor			(Accounts Receivable)	Unearned Revenue/	Due to Grantor		
State Department of Education														
General Fund:														
Equalization Aid	20-495-034-5120-078	\$ 5,213,334	7/1/19	6/30/20	\$ (501,949)	\$	\$ 501,949	\$	\$	\$ -	\$	\$	\$	\$
Equalization Aid	21-495-034-5120-078	5,178,069	7/1/20	6/30/21			4,686,911	(5,178,069)	(491,158)			*	(491,158)	(5,178,069)
School Choice Aid	20-495-034-5120-068	471,240	7/1/19	6/30/20	(45,372)		45,372							
School Choice Aid	21-495-034-5120-068	443,280	7/1/20	6/30/21			401,233	(443,280)	(42,047)			*	(42,047)	(443,280)
Transportation Aid	20-495-034-5120-014	87,111	7/1/19	6/30/20	(8,387)		8,387							
Transportation Aid	21-495-034-5120-014	87,111	7/1/20	6/30/21			78,848	(87,111)	(8,263)			*	(8,263)	(87,111)
Special Education Categorical Aid	20-495-034-5120-089	372,413	7/1/19	6/30/20	(35,857)		35,857							
Special Education Categorical Aid	21-495-034-5120-089	372,413	7/1/20	6/30/21			337,088	(372,413)	(35,325)			*	(35,325)	(372,413)
Security Aid	20-495-034-5120-084	160,344	7/1/19	6/30/20	(15,438)		15,438							
Security Aid	21-495-034-5120-084	160,344	7/1/20	6/30/21			145,135	(160,344)	(15,209)			*	(15,209)	(160,344)
Extroinary Aid	20-495-034-5120-044	20,985	7/1/19	6/30/20	(20,985)		20,985							
Extroinary Aid	21-495-034-5120-044	95,517	7/1/20	6/30/21				(95,517)	(95,517)			*		(95,517)
Non-Public Transportation Aid	20-495-034-5120-014	2,610	7/1/20	6/30/21				(2,610)	(2,610)			*		(2,610)
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	285,522	7/1/19	6/30/20	(1,551)		1,551							
Reimbursed TPAF Social Security Contrib.	21-495-034-5094-003	300,074	7/1/20	6/30/21			298,550	(300,074)	(1,524)			*		(300,074)
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	947,139	7/1/20	6/30/21			947,139	(947,139)				*		(947,139)
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	296,819	7/1/20	6/30/21			296,819	(296,819)				*		(296,819)
On-Behalf TPAF Long-Term Disability Medical	21-495-034-5094-004	600	7/1/20	6/30/21			600	(600)				*		(600)
Total General Fund							7,821,862	(7,883,976)	(691,653)				(592,002)	(7,883,976)
Special Revenue Fund:														
Preschool Education Aid	20-495-034-5120-086	692,340	7/1/19	6/30/20	(69,234)		69,234						*	
Preschool Education Aid	21-495-034-5120-086	652,953	7/1/20	6/30/21			587,658	(639,201)	(65,295)	13,752			(65,295)	(639,201)
Total Special Revenue Fund							656,892	(639,201)	(65,295)	13,752			(65,295)	(639,201)
Debt Service Fund														
Debt Service Aid Type II:	20-495-034-5120-017	97,968	7/1/20	6/30/21			97,968	(97,968)					*	(97,968)
Total Debt Service Fund							97,968	(97,968)						(97,968)
State Department of Argiculture:														
Enterprise Fund:														
National School Lunch Program (State Share)	20-100-010-3350-023	3,378	7/1/19	6/30/20	(896)		896							
National School Lunch Program (State Share)	21-100-010-3350-023	6,183	7/1/20	6/30/21			5,239	(6,183)	(944)			*		(6,183)
Total Enterprise Fund							6,135	(6,183)	(944)					(6,183)
					\$ (699,669)	\$	8,582,857	(8,627,328)	\$ (757,892)	\$ 13,752	\$	\$ (657,297)	\$ (8,627,328)	
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	947,139	7/1/20	6/30/21			\$ 947,139	\$ (947,139)						
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	296,819	7/1/20	6/30/21			296,819	(296,819)						
On-Behalf TPAF Long-Term Disability Medical	21-495-034-5094-004	600	7/1/20	6/30/21			600	(600)						
Total State Financial Assistance - Major Program Determination							\$ 7,338,299	\$ (7,382,770)						

See accompanying notes to schedules of financial assistance

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2021

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A., 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund, where applicable, also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$15,001 for the general fund and \$118,334 for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2021
(Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 28,703	\$ 7,898,977	\$ 7,927,680
Special Revenue Fund	635,000	757,535	1,392,535
Debt Service Fund		97,968	97,968
Food Service Fund	<u>265,641</u>	<u>6,183</u>	<u>271,824</u>
Total Financial Assistance	<u>\$ 929,344</u>	<u>\$ 8,760,663</u>	<u>\$ 9,690,007</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Lawrence School District had no federal or state loan balances outstanding at June 30, 2021.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, if any, represents the amount paid by the state on behalf of the district for the year ended June 30, 2021. 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, 2021.

NOTE 7: MAJOR PROGRAM

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

NOTE 8: SCHOOL-WIDE PROGRAM FUNDS

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

NOTE 9: ADJUSTMENT

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? _____ yes X no

Noncompliance material to basic financial statements noted? X yes _____ no

Federal Awards

Internal control over major programs:

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

2) Significant deficiencies identified? _____ Yes X none reported

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? _____ yes X no

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)

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

State Awards

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

Auditee qualified as low-risk auditee? _____ yes X no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-068	School Choice Aid
21-495-034-5120-086	Pre-School Education Aid

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)**

Section II - Financial Statement Findings

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

Finding: 2021-1 (AMR 2021-1)

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

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

Context: Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$172,046, as of June 30, 2021.

Effect: Violation of New Jersey Department of Agriculture requirements.

Cause: Actual expenditures were less than anticipated.

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)

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

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

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

All prior year findings were resolved except the following:

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

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

Status: Resolved

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

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

Status: Unresolved. See finding 2021-1