

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF
TOWNSHIP OF LAWRENCE
BOARD OF EDUCATION
CEDARVILLE, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by
Township of Lawrence Board of Education
Finance Department**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
OUTLINE OF CAFR**

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INTRODUCTORY SECTION

LAWRENCE TOWNSHIP BOARD OF EDUCATION

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Phone (856) 447-4409 Fax (856) 447-3446

Dr. Shelley Marie Magan x5000
Chief School Administrator

Lisa M. DiNovi x5690
Business Administrator / Board Secretary

December 18, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Lawrence Township School District for the fiscal year ended June 30, 2015 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 Lawrence Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities has 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 statement and schedules, as well as 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 the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditors 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. All funds and account groups of the District are included in this report. The Lawrence Township Board of Education and the school district constitute the reporting entity.

Lawrence Township School District provides a full range of educational services appropriate to grades Pre-K through 8. These include regular as well as special education for handicapped youngsters. The District enrollment on October 15, 2014 was 499. The following chart illustrates the district's enrollment over the past five years. All enrollment data has been footed to the October 15th report done annually.

Enrollment Data

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2014-15	499
2013-14	510
2012-13	504
2011-12	466
2010-11	436

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

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

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

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

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

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (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 and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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. 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 canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR END:

As demonstrated by the various statements and schedules included in the financial section of the report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2015 the amount and percentage of increases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase / (Decrease) for June 30, 2015	Percent of Increase (Decrease)
Local Source	\$ 2,348,664	23.69%	\$ 86,838	3.70%
State Sources	7,088,908	71.50%	52,033	.73%
Federal Sources	<u>476,626</u>	<u>4.81%</u>	<u>12,686</u>	<u>2.66%</u>
TOTAL	<u>\$ 9,914,198</u>	<u>100.00%</u>	<u>\$ 151,557</u>	<u>1.53%</u>

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2015.

Expenditures	Amount	Percent of Total	Increase / (Decrease) for June 30, 2015	Percent of Increase (Decrease)
Current Expense:				
Instruction	\$ 3,312,745	32.89%	\$ 61,139	1.85%
Undistributed Expenditures	6,258,491	62.14%	374,820	5.99%
Capital Outlay	97,094	.96%	(400,479)	-412.47%
Debt Service	<u>402,519</u>	<u>4.00%</u>	<u>(4,844)</u>	<u>-1.20%</u>
TOTAL	<u>\$10,070,849</u>	<u>100.00%</u>	<u>\$ 30,636</u>	<u>.30%</u>

8. DEBT ADMINISTRATION:

On December 27, 2007, the District issued school refinancing bonds in the amount of \$2,345,000. The proceeds were used to re-pay the remaining balance of a 1998 bond issue. On January 7, 2010, the District issued school bonds in the amount of \$2,216,000. The proceeds are being used for an addition and various renovations to the Myron L Powell Elementary School. As of June 30, 2015, the total remaining principal balance is \$2,891,000.

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 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 requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Triantos and Delp, CPAs, LLC was selected 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 Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditors report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

I would like to express my 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 administrative and business office support staff.

Respectfully submitted,

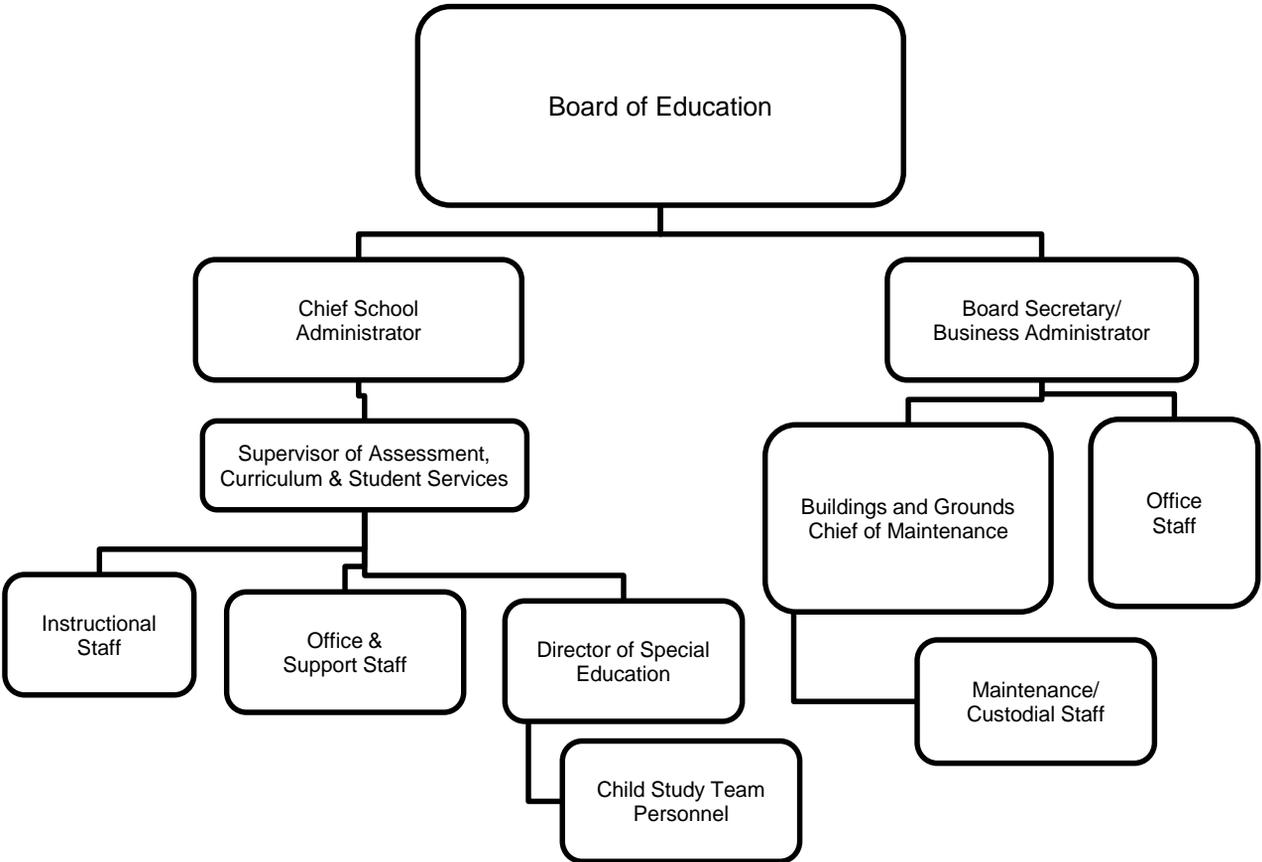


Shelley Marie Magan
Chief School Administrator



Lisa M. DiNovi
Business Administrator/Board Secretary

Lawrence Township Board of Education Organizational Chart 2014-2015



LAWRENCE TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

June 30, 2015

AUDIT FIRM

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John & Roger Barbour, Esq.
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Cape Bank
Egg Harbor Township, NJ

SCHOOL PHYSICIAN

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Bridgeton, NJ 08302

INSURANCE AGENT

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123 Rosenhayn Avenue
PO Box 358
Bridgeton, New Jersey 08302

LAWRENCE TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
William Reyes, President	2015
Cheryl Saunders Rodman, Vice President	2015
Edward J. Cox Jr.	2017
Donald Wood	2016
John J. Roesly Jr.	2015

Other Officials

Dr. Shelley Marie Magan – Chief School Administrator

Lisa M. DiNovi - Board Secretary/Business Administrator

FINANCIAL SECTION

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 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, in the State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education'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 standard 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 Office of School 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lawrence Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2015, 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Changes in Accounting Principle

As described in Note 1 to the financial statements, in 2015, the Lawrence Township Board of Education adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of Statement No. 27*. Our opinion is 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, Schedules Related to Accounting and Reporting for Pension, and Notes to the Required Supplemental Information on pages 44 through 58 and 59 be presented to supplement the basic financial statements. Such information, although not 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 response 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lawrence Township Board of Education's basic financial statements. The accompanying introductory information and other supplementary information such as the combining and individual fund financial statements, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedule 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 fund financial statements and long-term debt schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying schedules of expenditures of federal awards and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal and state awards are fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the Lawrence Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lawrence Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

December 18, 2015

REQUIRED SUPPLEMENTARY INFORMATION–PART I

MANAGEMENT'S DECISION AND ANALYSIS

LAWRENCE TOWNSHIP BOARD OF EDUCATION

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Cedarville, NJ 08311

Phone (856) 447-4409 Fax (856) 447-0521

Dr. Shelley Marie Magan x5000
Chief School Administrator

Lisa M. DiNovi x5690
Business Administrator / Board Secretary

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Lawrence Township Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual 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.
- 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.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short and long-term* financial information about the activities that the district operates *like businesses*.
- *Fiduciary funds* 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 some of the information in the statements and provide more detailed data. 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.

Figure A-1
Major Features of District-Wide and Fund Financial Statements

	District-Wide Statements	<u>Fund Financial Statements</u>		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability Information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term; the District's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-wide Statements

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 assets 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 deferred outflows and liabilities and deferred inflows - are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

- *Business-type activities* - The District charges fees to help it cover the cost for certain services it provides. The District's food services program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has four kinds of funds:

- *Governmental Fund* - 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 funds statements provide a detailed *short-term* view that helps you 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, we provide additional information with the governmental funds statements that explain 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.
- In fact, 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 flow.
- *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (student transportation). LTBOE currently has an internal service fund for shared Business services.
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. 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. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (in thousands)

Net position. The District's *combined* net position is \$6,074 on June 30, 2015 (see Table A-1). Approximately 2% of the total net position is from business-type activities. The balance of the total net position, 98%, is attributed to governmental activities.

Changes in net position. The District's total revenues are \$11,057 for the fiscal period ending June 30, 2015 (see Table A-2). Property taxes and state formula aid accounted for 84% of the District's revenue. 14% is derived from state and federal aid for specific programs, and the remainder, 2% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students 61%. The purely administrative activities of the District accounted for 5% of total costs. Salary increases due to contractual agreements for teachers and other educational staff are included in the instruction-related costs.

Governmental Activities

Revenues for the District's governmental activities amounted to \$10,714. Total expenses amounted to \$10,793. The decrease in net assets in governmental activities was \$79 for 2015.

Business-type Activities

Revenues of the District's business-type activities amounted to \$343, and expenses were \$326. Factors contributing to these results included:

- Food Services: Contracted Service
- Child Care services had \$12 in revenue in excess of expenses

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (in thousands)

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$1,837 including \$388 in the Capital Projects Fund. The District controlled expenditures. There was a decrease of \$32 in the general fund.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for the following purpose:

- Transfers between budgetary line accounts to prevent overruns

The District's final budget anticipated utilizing \$471 in fund balance and \$144 of prior year encumbrances to fund the appropriation plan for this fiscal period. Actual operations resulted in a decrease in the general fund balance of \$21.

Actual expenditures for capital outlay amounted to \$97 in the Operating Fund, \$0 in the Special Revenue Fund and \$0 in the Capital Projects Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION (in thousands)

Capital Assets

By the end of 2015, the District had invested \$11,290 in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (See Table A-3) (More detailed information about capital assets can be found in Note 8 to the financial statements.) Total depreciation expense for the year was \$233 while building improvements and additions to equipment and furniture amounted to \$57.

Long-term Debt

At year end, the District had outstanding bonds in the amount of \$2,891 and capital leases payable of \$0. (More detailed information about long term debt can be found in Note 10 to the financial statements.)

The state limits the amount of general obligation debt the District can issue to 3% of the equalized valuation of all taxable property within the District. The current limit is \$6,651 of which \$3,760 is available for the issuance of the debt.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Becoming a choice district has helped the district maintain current programs, however, the restriction on the amount the school may raise in taxes is always a concern for future budgets and any unforeseen expenditures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Table A-1
Lawrence Township Board of Education's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2014	2015	2014	2015	2014	2015	2014-2015
Current and Other Assets	\$ 2,562.	\$ 2,490.	\$ 115.	\$ 119.	\$ 2,677.	\$ 2,609.	-2.5%
Capital Assets	8,258.	8,031.	85.	78.	8,343.	8,109.	-2.8%
Total Assets	\$ 10,820.	\$ 10,521.	\$ 200.	\$ 197.	\$ 11,020.	\$ 10,718.	-2.7%
Deferred Outflows of Resources	\$ 0.	\$ 162.	\$ 0.	\$ 7.	\$ 0.	\$ 169.	0.0%
Current Liabilities	\$ 513.	\$ 643.	\$ 48.	\$ 30.	\$ 561.	\$ 673.	20.0%
Noncurrent Liabilities	3,017.	3,995.		59.	3,017.	4,054.	34.4%
Total Liabilities	\$ 3,530.	\$ 4,638.	\$ 48.	\$ 89.	\$ 3,578.	\$ 4,727.	32.1%
Deferred Inflows of Resources	\$ 0.	\$ 82.	\$ 0.	\$ 4.	\$ 0.	\$ 86.	0.0%
Net Position							
Invested in Capital Assets							
Net of Related Debt	\$ 5,077.	\$ 5,140.	\$ 85.	\$ 78.	\$ 5,162.	\$ 5,218.	1.1%
Restricted	2,233.	2,135.	0.	0.	2,233.	2,135.	-4.4%
Unrestricted	(20.)	(1,312.)	67.	33.	47.	(1,279.)	-2821.3%
Total Net Position	\$ 7,290.	\$ 5,963.	\$ 152.	\$ 111.	\$ 7,442.	\$ 6,074.	-18.4%

Table A-2
Lawrence Township Board of Education's
Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	2014-2015
Revenues							
Program Revenues							
Charges for Services	\$ 106.	\$ 106.	\$ 121.	\$ 121.	\$ 227.	\$ 227.	0.0%
Federal & State Categorical Grants	575.	1,381.	243.	222.	818.	1,603.	96.0%
General Revenues							
Property Taxes	2,215.	2,308.			2,215.	2,308.	4.2%
State Formula Aid	6,926.	6,930.			6,926.	6,930.	0.1%
Other	47.	(11.)			47.	(11.)	-123.4%
Total Revenues	<u>\$ 9,869.</u>	<u>\$ 10,714.</u>	<u>\$ 364.</u>	<u>\$ 343.</u>	<u>\$ 10,233.</u>	<u>\$ 11,057.</u>	<u>8.1%</u>
Expenses							
Instruction - Related	\$ 3,427.	\$ 3,464.	\$ 0.	\$ 0.	\$ 3,427.	\$ 3,464.	1.1%
Student Support Services	2,737.	2,944.	336.	326.	3,073.	3,270.	6.4%
Maintenance & Operations	489.	483.			489.	483.	-1.2%
Transportation	683.	652.			683.	652.	-4.5%
Administration	557.	569.			557.	569.	2.2%
Other	1,773.	2,681.			1,773.	2,681.	51.2%
Total Expenses	<u>\$ 9,666.</u>	<u>\$ 10,793.</u>	<u>\$ 336.</u>	<u>\$ 326.</u>	<u>\$ 10,002.</u>	<u>\$ 11,119.</u>	<u>11.2%</u>
Increase/ (decrease) in Net Position	<u>\$ 203.</u>	<u>\$ (79.)</u>	<u>\$ 28.</u>	<u>\$ 17.</u>	<u>\$ 231.</u>	<u>\$ (62.)</u>	<u>-3.1%</u>

Table A-3
Lawrence Township Board of Education's Capital Assets
(Net of Depreciation)
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2014-2015
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	
Land	\$ 25.	\$ 25.	\$ 0.	\$ 0.	\$ 25.	\$ 25.	0.0%
Construction in Progress	0.	0.	0.	0.	0.	0.	0.0%
Site Improvements	28.	30.	0.	0.	28.	30.	7.1%
Buildings & Improvements	8,034.	7,876.	0.	0.	8,034.	7,876.	-2.0%
Machinery & Equipment	171.	99.	85.	78.	256.	177.	-30.9%
Total	<u>\$ 8,258.</u>	<u>\$ 8,030.</u>	<u>\$ 85.</u>	<u>\$ 78.</u>	<u>\$ 8,343.</u>	<u>\$ 8,108.</u>	<u>-2.8%</u>

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,831,594.	\$ 72,809.	\$ 1,904,403.
Receivables, net	658,594.	39,541.	698,135.
Inventory	0.	6,560.	6,560.
Capital Assets, Net	8,030,584.	77,955.	8,108,539.
Total Assets	<u>10,520,772.</u>	<u>196,865.</u>	<u>10,717,637.</u>
DEFERRED OUTFLOWS OF RESOURCES:			
	<u>162,189.</u>	<u>7,464.</u>	<u>169,653.</u>
LIABILITIES:			
Accounts Payable	56,174.	16,388.	72,562.
Interfund Payable	(2,329.)	2,329.	0.
Pension Account Payable	66,266.	3,050.	69,316.
Unearned Revenue	182,636.	9,268.	191,904.
Accrued Interest	34,824.		34,824.
Noncurrent Liabilities:			
Due within One Year	305,000.		305,000.
Due in More than One Year	2,725,132.		2,725,132.
Net Pension Liability	1,270,881.	58,493.	1,329,374.
Total Liabilities	<u>4,638,584.</u>	<u>89,528.</u>	<u>4,728,112.</u>
DEFERRED INFLOWS OF RESOURCES:			
	<u>81,873.</u>	<u>3,768.</u>	<u>85,641.</u>
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	5,139,584.	77,955.	5,217,539.
Restricted for:			
Debt Service	2.		2.
Capital Projects	668,887.		668,887.
Other Purposes	1,466,063.		1,466,063.
Unrestricted	(1,312,032.)	33,078.	(1,278,954.)
Total Net Position	<u>\$ 5,962,504.</u>	<u>\$ 111,033.</u>	<u>\$ 6,073,537.</u>

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:					
Instruction:					
Regular	\$ 2,484,080.	\$ 0.	\$ 0.	\$ (2,484,080.)	\$ (2,484,080.)
Special education	661,458.			(661,458.)	(661,458.)
Other special instruction	263,007.			(263,007.)	(263,007.)
Other instruction	55,654.			(55,654.)	(55,654.)
Support services:					
Tuition	2,387,209.			(2,387,209.)	(2,387,209.)
Student & instruction related services	556,559.			(556,559.)	(556,559.)
School administrative services	197,367.			(197,367.)	(197,367.)
General and business administrative services	186,037.			(186,037.)	(186,037.)
Central services	160,395.			(160,395.)	(160,395.)
Admin info tech	25,714.			(25,714.)	(25,714.)
Plant operations and maintenance	483,154.			(483,154.)	(483,154.)
Pupil transportation	652,393.			(652,393.)	(652,393.)
Employee benefits	2,458,355.		1,381,218.	(1,077,137.)	(1,077,137.)
Interest on long-term debt	109,215.			(109,215.)	(109,215.)
NJ debt service assessment	40,020.			(40,020.)	(40,020.)
Internal service fund	72,748.			33,252.	33,252.
Total governmental activities	10,793,365.	106,000.	1,381,218.	(9,306,147.)	(9,306,147.)
Business-type activities:					
Food service	291,745.	74,255.	221,855.	4,365.	4,365.
Child care	34,802.	47,095.		12,293.	12,293.
Total business-type activities	326,547.	121,350.	221,855.	16,658.	16,658.
Total primary government	\$ 11,119,912.	\$ 227,350.	\$ 1,603,073.	\$ (9,306,147.)	\$ (9,289,489.)
General revenues:					
Taxes:					
Property taxes, levied for general purposes, net				\$ 2,157,571.	\$ 2,157,571.
Taxes levied for debt service				150,749.	150,749.
Federal and state aid not restricted				6,058,510.	6,058,510.
Federal and state aid restricted				871,951.	871,951.
Tuition received				9,629.	9,629.
Investment earnings				10,903.	11,128.
Miscellaneous income				19,812.	19,812.
Adjustment to fixed assets				(51,923.)	(51,923.)
Total general revenues, special items, extraordinary items and transfers				9,227,202.	9,227,427.
Change in net position				(78,945.)	(62,062.)
Net position — beginning, as previously stated				7,290,058.	7,441,675.
Restatement due to change of accounting principle				(1,248,609.)	(1,306,076.)
Net position — beginning, restated				6,041,449.	6,135,599.
Net Position — ending				\$ 5,962,504.	\$ 6,073,537.

See Accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 1,027,085.	\$ 0.	\$ 387,684.	\$ 0.	\$ 0.	\$ 1,414,769.
Tax levy receivable	359,595.			25,124.		384,719.
Due from other funds	35,986.					35,986.
Receivables from other governments	79,566.	206,847.				286,413.
Other	14,232.					14,232.
Total assets	\$ 1,516,464.	\$ 206,847.	\$ 387,684.	\$ 25,124.	\$ 0.	\$ 2,136,119.
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 11,462.	\$ 44,712.	\$ 0.	\$ 0.	\$ 0.	\$ 56,174.
Interfund payable	26,769.	8,536.		25,122.		60,427.
Unearned revenue		182,636.				182,636.
Total liabilities	38,231.	235,884.	0.	25,122.	0.	299,237.
Fund Balances:						
Restricted for:						
Excess surplus - current year	247,209.					247,209.
Excess surplus - designated for subsequent year's expenditures	321,851.					321,851.
Maintenance reserve	338,000.					338,000.
Emergency reserve	250,000.					250,000.
Capital reserve	281,203.					281,203.
Tuition reserve	250,000.					250,000.
Capital projects			387,684.			387,684.
Committed to:						
Other purposes	59,003.					59,003.
Assigned to:						
Debt service				2.		2.
Designated by BOE for subsequent year's expenditures	13,583.					13,583.
Unassigned:						
General fund	(282,616.)					(282,616.)
Special revenue fund		(29,037.)				(29,037.)
Total fund balances	1,478,233.	(29,037.)	387,684.	2.	0.	1,836,882.
Total liabilities and fund balances	\$ 1,516,464.	\$ 206,847.	\$ 387,684.	\$ 25,124.	\$ 0.	

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 \$11,315,180 and the accumulated depreciation is \$3,284,596. (See Note 8) \$ 8,030,584.

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 10) (3,064,956.)

Internal service fund net position 324,535.

Pension related items:

Deferred outflow of resources	\$ 150,279.
Deferred inflow of resources	(75,861.)
Pension account payable	(61,400.)
Net pension liability	(1,177,559.)
Total pension related items	(1,164,541.)

Net assets of governmental activities \$ 5,962,504.

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES:						
Local sources:						
Local tax levy	\$ 2,157,571.	\$ 0.	\$ 0.	\$ 150,749.	\$ 0.	\$ 2,308,320.
Tuition charges	9,629.					9,629.
Interest earned	10,903.					10,903.
Miscellaneous	16,438.	3,374.				19,812.
Total local sources	2,194,541.	3,374.	0.	150,749.	0.	2,348,664.
State sources	6,693,583.	278,554.		116,771.		7,088,908.
Federal sources		476,626.				476,626.
Total revenues	8,888,124.	758,554.	0.	267,520.	0.	9,914,198.
EXPENDITURES:						
Current:						
Regular instruction	2,355,927.					2,355,927.
Special education instruction	165,730.	472,427.				638,157.
Other special instruction	263,007.					263,007.
Other instruction	55,654.					55,654.
Support services:						
Tuition	2,387,209.					2,387,209.
Student & instruction related services	368,059.	188,500.				556,559.
School administrative services	167,076.					167,076.
Other administrative services	155,746.					155,746.
Central services	160,395.					160,395.
Admin Info Tech	25,714.					25,714.
Plant operations and maintenance	462,183.					462,183.
Pupil transportation	652,393.					652,393.
Employee benefits	1,604,236.	86,980.				1,691,216.
Debt service:						
Principal				290,000.		290,000.
Interest and other charges				112,519.		112,519.
Capital outlay	97,094.					97,094.
Total expenditures	8,920,423.	747,907.	0.	402,519.	0.	10,070,849.
Excess (deficiency) of revenues over exp.	(32,299.)	10,647.	0.	(134,999.)	0.	(156,651.)
OTHER FINANCING SOURCES (USES):						
Transfers in				135,000.		135,000.
Transfers out			(135,000.)			(135,000.)
Total other financing sources and uses	0.	0.	(135,000.)	135,000.	0.	0.
Net change in fund balance	(32,299.)	10,647.	(135,000.)	1.	0.	(156,651.)
Fund balance—July 1	1,510,532.	(39,684.)	522,684.	1.	0.	1,993,533.
Fund balance—June 30	\$ 1,478,233.	\$ (29,037.)	\$ 387,684.	\$ 2.	\$ 0.	\$ 1,836,882.

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
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, 2015

Total net changes in fund balances - governmental funds (from B-2)		\$ (156,651.)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
This is the amount by which capital outlays exceeded depreciation in the period.		
	Depreciation expense	(233,007.)
	Capital outlays	<u>57,074.</u>
		(175,933.)
Adjustment to fixed assets		(51,923.)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
Principal paid on bonds	290,000.	
Principal paid on lease purchase	<u>0.</u>	290,000.
Decrease in accrued interest		3,304.
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds of long-term debt	0.	
Capital lease proceeds	<u>0.</u>	0.
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		(13,375.)
Increase in pension expense		(753,764.)
Increase in on-behalf pension payments		746,145.
Increase in internal service fund		<u>33,252.</u>
Change in net position of governmental activities		<u>\$ (78,945.)</u>

See Accompanying Notes to the Financial Statements

PROPRIETARY FUNDS

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>		Total Enterprise	<u>Governmental</u> <u>Activities</u>
	<u>Food</u> <u>Service</u>	<u>Latchkey</u> <u>Program</u>		<u>Internal</u> <u>Service Fund</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 72,809.	\$ 0.	\$ 72,809.	\$ 416,825.
Accounts receivable:				
State	260.	0.	260.	0.
Federal	15,358.	0.	15,358.	0.
Interfund	23,449.		23,449.	0.
Other	54.	420.	474.	0.
Inventories	6,560.	0.	6,560.	0.
Total current assets	<u>118,490.</u>	<u>420.</u>	<u>118,910.</u>	<u>416,825.</u>
Noncurrent assets:				
Furniture, machinery & equipment	198,668.	0.	198,668.	4,367.
Less accumulated depreciation	<u>(120,713.)</u>	<u>0.</u>	<u>(120,713.)</u>	<u>(4,367.)</u>
Total noncurrent assets	<u>77,955.</u>	<u>0.</u>	<u>77,955.</u>	<u>0.</u>
Total assets	<u>\$ 196,445.</u>	<u>\$ 420.</u>	<u>\$ 196,865.</u>	<u>\$ 416,825.</u>
DEFERRED OUTFLOW OF RESOURCES:	<u>\$ 5,174</u>	<u>\$ 2,290</u>	<u>\$ 7,464</u>	<u>\$ 11,910</u>
LIABILITIES:				
Current Liabilities:				
Accounts payable	\$ 16,388.	\$ 0.	\$ 16,388.	\$ 0.
Pension account payable	2,114.	936.	3,050.	4,866.
Interfund accounts payable	0.	2,329.	2,329.	0.
Prepaid Summer Camp tuition	0.	9,268.	9,268.	0.
Total current liabilities	<u>18,502.</u>	<u>12,533.</u>	<u>31,035.</u>	<u>4,866.</u>
Long-term debt:				
Net pension liability	<u>40,546.</u>	<u>17,947.</u>	<u>58,493.</u>	<u>93,322.</u>
Total liabilities	<u>59,048.</u>	<u>30,480.</u>	<u>89,528.</u>	<u>98,188.</u>
DEFERRED INFLOW OF RESOURCES:	<u>\$ 2,612.</u>	<u>\$ 1,156.</u>	<u>\$ 3,768.</u>	<u>\$ 6,012.</u>
NET POSITION:				
Invested in capital assets net of related debt	77,955.	0.	77,955.	0.
Unrestricted	62,004.	(28,926.)	33,078.	324,535.
Total net position	<u>\$ 139,959.</u>	<u>\$ (28,926.)</u>	<u>\$ 111,033.</u>	<u>\$ 324,535.</u>

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

	Business-Type Activities Enterprise Fund		Total Enterprise	Governmental Activities - Internal Service Fund
	Food Service	Latchkey Program		
Operating revenues:				
Changes for services:				
Daily sales-reimbursable programs	\$ 40,559.	\$ 0.	\$ 40,559.	\$ 0.
Daily sales-nonreimbursable pgms	33,696.	0.	33,696.	
Charges for services	0.	47,095.	47,095.	106,000.
Total operating revenues	<u>74,255.</u>	<u>47,095.</u>	<u>121,350.</u>	<u>106,000.</u>
Operating expenses				
Cost of sales	113,654.	0.	113,654.	0.
Salaries and fringe benefits	108,532.	25,475.	134,007.	68,536.
Purchased services	0.	1,300.	1,300.	0.
Repairs and Maintenance	1,342.	0.	1,342.	0.
General Supplies	21,126.	8,027.	29,153.	3,788.
Depreciation	6,992.	0.	6,992.	0.
Miscellaneous	7,448.	0.	7,448.	424.
Management fees	32,651.	0.	32,651.	0.
Total operating expenses	<u>291,745.</u>	<u>34,802.</u>	<u>326,547.</u>	<u>72,748.</u>
Operating income/(loss)	<u>(217,490.)</u>	<u>12,293.</u>	<u>(205,197.)</u>	<u>33,252.</u>
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	3,347.	0.	3,347.	0.
Federal sources:				
National school breakfast program	60,219.	0.	60,219.	0.
National school lunch program	137,881.	0.	137,881.	0.
National afterschool snack	5,655.	0.	5,655.	0.
Food distribution program	14,753.	0.	14,753.	0.
Interest	225.	0.	225.	0.
Total nonoperation revenues (expenses)	<u>222,080.</u>	<u>0.</u>	<u>222,080.</u>	<u>0.</u>
Change in net position	4,590.	12,293.	16,883.	33,252.
Total net position- beginning, previously reported	175,204.	(23,587.)	151,617.	382,970.
Restatement due to change of accounting principle	(39,835.)	(17,632.)	(57,467.)	(91,687.)
Total net position - beginning, restated	<u>135,369.</u>	<u>(41,219.)</u>	<u>94,150.</u>	<u>291,283.</u>
Total net position - ending	<u>\$ 139,959.</u>	<u>\$ (28,926.)</u>	<u>\$ 111,033.</u>	<u>\$ 324,535.</u>

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service Fund	Latchkey Program	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers/grantors	\$ 69,252.	\$ 57,011.	\$ 126,263.	\$ 115,333.
Payments to suppliers	(250,250.)	(8,028.)	(258,278.)	(4,212.)
Payments to employees	(24,292.)	(25,358.)	(49,650.)	(67,933.)
Other receipts/(payments)	5,606.	(1,300.)	4,306.	0.
Net cash provided by (used for) operating account	<u>(199,684.)</u>	<u>22,325.</u>	<u>(177,359.)</u>	<u>43,188.</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	3,434.	0.	3,434.	0.
Federal Sources	210,951.	0.	210,951.	0.
Transfer	0.	(22,325.)	(22,325.)	0.
Net cash provided by (used for) non-capital financing activities	<u>214,385.</u>	<u>(22,325.)</u>	<u>192,060.</u>	<u>0.</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	225.	0.	225.	0.
Net cash provided by investing activities	<u>225.</u>	<u>0.</u>	<u>225.</u>	<u>0.</u>
Net increase (decrease) in cash and cash equivalents	14,926.	0.	14,926.	43,188.
Balances - beginning of year	57,883.	0.	57,883.	373,637.
Balances - end of year	<u>\$ 72,809.</u>	<u>\$ 0.</u>	<u>\$ 72,809.</u>	<u>\$ 416,825.</u>
Reconciliation of operating income (loss)				
to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (217,490.)	\$ 12,293.	\$ (205,197.)	\$ 33,252.
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	6,992.	0.	6,992.	0.
Federal commodities	14,753.	0.	14,753.	0.
(Increase)/decrease in accts rec., net	604.	4,347.	4,951.	0.
(Increase)/decrease in inventories	(926.)	0.	(926.)	0.
(Increase)/decrease in intergovernmental receivable	0.	0.	0.	9,333.
(Increase)/decrease in outflow of resources	(1,104.)	(489.)	(1,593.)	(3,587.)
Increase/(decrease) in accounts payable	(3,552.)	146.	(3,406.)	652.
Increase/(decrease) in prepaid latchkey	0.	5,568.	5,568.	0.
Increase/(decrease) in deferred inflow of resources	2,114.	936.	3,050.	6,012.
Increase/(decrease) in net pension liability	(1,075.)	(476.)	(1,551.)	(2,474.)
Total adjustments	<u>17,806.</u>	<u>10,032.</u>	<u>27,838.</u>	<u>9,936.</u>
Net cash provided by (used for) operating activities	<u>\$ (199,684.)</u>	<u>\$ 22,325.</u>	<u>\$ (177,359.)</u>	<u>\$ 43,188.</u>

See Accompanying Notes to the Basic Financial Statements

FIDUCIARY FUNDS

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Payroll/ Agency Fund	Student Activity
ASSETS:				
Cash and Cash Equivalents	\$ 52,375.	\$ 9,368.	\$ 4,622.	\$ 14,664.
Due from Agency	6,254.	0.	0.	0.
Interfund Receivable	0.	0.	3,320.	0.
Total Assets	\$ 58,629.	\$ 9,368.	\$ 7,942.	\$ 14,664.
DEFERRED OUTFLOW OF RESOURCES:				
	\$ 0.	\$ 0.	\$ 0.	\$ 0.
LIABILITIES:				
Due to Student Groups	\$ 0.	\$ 0.	\$ 0.	\$ 14,664.
Due to Payroll Withholdings	0.	0.	1,688.	0.
Due to Unemployment	0.	0.	6,254.	0.
Total Liabilities	0.	0.	7,942.	14,664.
DEFERRED INFLOW OF RESOURCES:				
	0.	0.	\$ 0.	\$ 0.
NET POSITION:				
Held in Trust for Unemployment Claims	<u>\$ 58,629.</u>			
Reserved for Scholarships		<u>\$ 9,368.</u>		

See Accompanying Notes to the Basic Financial Statements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS:		
Contributions:		
Plan Member	\$ 6,512.	\$ 0.
Other	0.	4,311.
Board Contribution	39,276.	0.
Total Contributions	<u>45,788.</u>	<u>4,311.</u>
Investment Earnings:		
Interest	139.	41.
Net Investment Earnings	<u>139.</u>	<u>41.</u>
DEDUCTIONS:		
Scholarships Awarded	0.	4,500.
Unemployment Claims	31,708.	1,769.
Other	139.	0.
Total Deductions	<u>31,847.</u>	<u>6,269.</u>
Change in Net Position	14,080.	(1,917.)
NET POSITION, JULY 1	<u>44,549.</u>	<u>11,285.</u>
NET POSITION, JUNE 30	<u>\$ 58,629.</u>	<u>\$ 9,368.</u>

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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. These terms are staggered so that one (1) member's term expires each year. The purpose of the District is to educate students in grades K-8. The Lawrence Township School District had an approximate enrollment at June 30, 2015 of 499 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. New Accounting Standards:

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. The adoption of GASB 68 and GASB 71 resulted in a restatement to reduce the total net position of governmental activities at June 30, 2014 by \$1,306,076.
- GASB 69, *Government Combinations and Disposals of Government Operations*. GASB 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. The adoption of this Statement does not have an impact on the District's financial statements.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

B. New Accounting Standards: (Cont'd)

- GASB 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 68 and GASB 71 resulted in a restatement to reduce the total net position of the governmental activities at June 30, 2014 by \$1,306,076.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the Lawrence Township School 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 the governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB No. 54, *Fund Reporting and Governmental Fund Type Descriptions*.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District Wide Statements: The statement of net position and the statement of activities display information about 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A. Basis of Presentation: (Cont'd)

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

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:

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.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Fund Accounting: (Cont'd)

GOVERNMENTAL FUNDS (Cont'd)

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.

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, 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:

Enterprise Funds: The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds is comprised of the Food Service Fund and the Latchkey Program.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Fund Accounting: (Cont'd)

PROPRIETARY FUNDS (Cont'd)

Food Service Fund:	
Equipment	12 years

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of an LEA, or to other LEAs, on a cost-reimbursement basis.

The District's Internal Service Fund consists of shared business services to other LEAs.

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 are reported using accounting principles similar to proprietary funds. The following is a description of the fiduciary funds of the District:

Trust and Agency Funds: The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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

Nonexpendable Trust Fund: A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

Agency Funds: Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or 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.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Accounting and Measurement Focus: (Cont'd)

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position the operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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, which 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.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types are shown on Exhibit C-3.

E. Encumbrance Accounting:

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses:

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, 2015.

J. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2015.

K. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Assets, Liabilities and Equity: (Cont'd)

Inventories

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 and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. There was inventory in the Food Service Fund at June 30, 2015 as shown on Exhibit G-1.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets:

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at the estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2014 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of the normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	20 years
Building & Building Improvements	25-50 years
Machinery & Equipment	5-20 years

L. Accrued Salaries and Wages

Certain District employees who provide services to the District over the ten month academic year have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

M. 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 an expenditure and 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 Statement of Net Position.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. Compensated Absences: (Cont'd)

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

N. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

O. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the district-wide statements. The long-term debt consists primarily of bonds payable, capital leases, and accrued compensated absences.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Q. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

S. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

T. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Management Estimates

The preparation of financial statements in conformity with generally accepting accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

V. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide Financial Statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

W. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. It is the School District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

X. Fund Balance

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

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

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

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Fund Balance (Cont'd)

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

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

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

Y. Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3. 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.

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, 2014, 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.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking account	\$1,985,433.
TOTAL	\$1,985,433.

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, 2015, the District's bank balance was insured or collateralized as follows:

Insured by Depository Insurance	\$250,000.
Collateralized under GUDPA	1,825,684.
TOTAL	\$2,075,684.

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 4. 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 \$550,000 as shown in the approved LRFP.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$322,169.
Interest earnings	1,399.
Deposits	
Approved in 2013/2014 Budget	0.
Board Resolution	50,000.
Withdrawals	
Approved 2014/2015 Budget	(42,365.)
Board Resolution	0.
Total Withdrawals	0.
Ending balance, June 30, 2014	\$281,203.

NOTE 5. 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.

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 year is as follows:

Beginning Balance July 1, 2014	\$338,000.
Deposits – Board Resolution	100,000.
Withdrawals – Board Resolution	(100,000.)
Ending balance June 30, 2014	\$338,000.

The June 30, 2015 maximum maintenance reserve amount is \$338,322.

NOTE 6. 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, 2014 to June 30, 2015 year is as follows:

Beginning Balance, July 1, 2014	\$250,000.
Deposits:	
Approved in 2014/2015 Budget	0.
Withdrawals	0.
Ending balance, June 30, 2015	\$250,000.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7. 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, 2015, the district has reserved the following amounts in the tuition reserve accounts:

2013-2014	\$125,000.
2014-2015	125,000.
TOTAL	<u>\$250,000.</u>

NOTE 8. FIXED ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets that are not Being Depreciated:					
Land	\$25,071.	\$	\$	\$	\$25,071.
Total Capital Assets not being Depreciated					
	25,071.	0.	0.	0.	25,071.
Bldg. & Bldg. Improvements	10,487,117.	51,224.			10,538,341.
Site Improvements	135,451.			12,906.	148,357.
Machinery & Equipment	1,148,890.	5,850.		(551,329.)	603,411.
Totals at Historical Cost	11,771,458.	57,074.	0.	(538,423.)	11,290,109.
Less: Accum. Deprec. for:					
Bldg. & Bldg. Improvements	(2,452,557.)	(209,589.)			(2,662,146.)
Site Improvements	(107,813.)	(3,442.)		(6,604.)	(117,859.)
Machinery & Equipment	(977,719.)	(19,976.)		493,104.	(504,591.)
Total Accum. Depreciation	(3,538,089.)	(233,007.)	0.	486,500.	(3,284,596.)
Total Capital Assets being depreciated net of Accum. Depreciation					
	8,233,369.	(175,933.)	0.	(51,923.)	8,005,513.
Government Activities Capital Assets, net					
	\$8,258,440.	\$(175,933.)	\$0.	\$(51,923.)	\$8,030,584.
Business-type Activities:					
Equipment	\$203,035.	\$	\$		\$203,035.
Less Accum. Dep for:					
Equipment	(118,088.)	(6,992.)			(125,080.)
Business-type Activities Capital Assets, net					
	\$84,947.	\$(6,992.)	\$ 0.	\$0.	\$77,955.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8. FIXED ASSETS (Cont'd)

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

Instruction:	
Regular	\$(128,154.)
Special Education	(23,302.)
Support Services:	
School Administration	(30,291.)
General and Business Administrative Services	(30,291.)
Plant Operations and Maintenance	(20,971.)
Total Depreciation Expense	<u>\$(233,007.)</u>

Note: Adjustment to reconcile district records with updated appraisal completed during 2014-2015.

NOTE 9. OPERATING LEASES

The District has a commitment for copiers under an operating lease. The lease is for a term of 60 months. Total operating lease payments made during the year ended June 30, 2015 were \$26,506. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2016	\$17,169.
June 30, 2017	10,500.
June 30, 2018	10,500.
June 30, 2019	6,684.
TOTAL	<u>\$44,853.</u>

NOTE 10. GENERAL LONG-TERM DEBT

Type of Debt	Balance at 6/30/14	Issued	Retired	Balance at 6/30/15	Amounts Due Within 1 Year
Compensated absences payable	\$125,757.	\$13,375.	\$	\$139,132.	\$
Bonds payable	3,181,000.		(290,000.)	2,891,000.	305,000.
Accrued interest on bonds	38,128.		(3,304.)	34,824.	34,824.
Total	<u>\$3,344,885.</u>	<u>\$13,375.</u>	<u>\$(293,304.)</u>	<u>\$3,064,956.</u>	<u>\$339,824.</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.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10. GENERAL LONG-TERM DEBT (Cont'd)

A. Bonds Payable: (Cont'd)

The \$2,345,000. Refunding Bonds, included issuance costs of \$29,454. \$2,296,225 was used to retire bonds from the 19981 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.

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 following is a schedule of the future bond principal and interest payments due as of June 30, 2015.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$305,000.	\$102,538.	\$407,538.
2017	310,000.	92,019.	402,019.
2018	315,000.	81,294.	396,294.
2019	320,000.	70,363.	390,363.
2020	325,000.	58,778.	383,778.
2021-2025	1,316,000.	116,319.	1,432,319.
TOTAL	\$2,891,000.	\$521,309.	\$3,412,309.

B. Bond Authorized But Not Issued:

As of June 30, 2015, the Board had no authorized but not issued bonds.

C. Capital Leases Payable:

The district has no capital leases.

NOTE 11. PENSION PLANS

Description of Plans – All required employees of the District are covered by either the Public Employees’ Retirement System or the Teachers’ Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers’ Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

Teachers’ Pension and Annuity Fund (TPAF) – The Teachers’ Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers’ Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the systems’ 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.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financial amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$16,771,755 as measured on June 30, 2014 and \$16,717,713 as measured on June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$902,478 and revenue of \$902,478 for support provided by the State. The measurement period for pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2015 is based upon changes in the collective net pension liability with a measurement period of June 30, 2013 through June 30, 2014. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2013 and June 30, 2014.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	6/30/2013	6/30/2014
Collective deferred outflows of resources	\$	\$2,306,623,861.
Collective deferred inflows of resources		1,763,205,593.
Collective net pension liability (nonemployer-State of New Jersey)	50,539,213,484.	53,446,745,367.
State's portion of the net pension liability that was associated with the district	16,717,713.	16,771,755.
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.033081%	0.031380%

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11. PENSION PLANS (Cont'd)

Actuarial assumptions – The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases:	Varies based on experience
Investment Rate of Return:	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Ret	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11. PENSION PLANS (Cont'd)

Discount rate: The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average 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 (State of New Jersey) will be made based on the average of the last five years. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

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

Summary of Significant Accounting Policies – 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$1,329,374 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was 0.00710032% which was a decrease of .00071% from its proportionate measured as of June 30, 2013.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11. PENSION PLANS (Cont'd)

For the year ended June 30, 2015, the District recognized pension expense of \$67,167. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes to assumptions	41,803.	
Net difference between projected and actual earnings on pension plan investments		79,223.
Changes in proportion and differences between District contributions and proportionate share of contributions		6,418.
District contributions subsequent to the measurement date	127,850.	
TOTAL	<u>\$169,653.</u>	<u>\$85,641.</u>

\$58,534 and \$69,316. reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability measured as of June 30, 2015 and June 30, 2016 respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2015	\$(8,768.)
2016	(8,768.)
2017	(8,768.)
2018	(8,767.)
2019	(8,767.)
Total	<u>\$(43,838.)</u>

	6/30/2013	6/30/2014
Collective deferred outflows of resources	\$	\$952,194,675.
Collective deferred inflows of resources		1,479,224,662.
Collective net pension liability (Non-State-Local Group)	19,111,986,911.	18,722,735,003.
District's portion of net pension liability	1,364,610.	1,329,374.
Districts Proportion %	0.00714007%	0.00710032%

Actuarial assumptions – The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.01%
Salary Increases:	
2012-2012	2.15%-4.40% based on age
Thereafter	3.15%-5.40% based on age
Investment Rate of Return:	7.90%

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11. PENSION PLANS (Cont'd)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table.

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount rate: The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, 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 THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11. PENSION PLANS (Cont'd)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	\$1,672,398.	\$1,329,374.	\$1,041,321.

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

Defined Contribution Retirement Plan (DCRP) – The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credit to the members' accounts.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11. PENSION PLANS (Cont'd)

Significant Legislation – Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rate increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October, 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4 year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11. PENSION PLANS (Cont'd)

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage Of APC Contributed
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>
June 30, 2015	\$58,534.	100%
June 30, 2014	53,799.	100%
June 30, 2013	59,035.	100%

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

Year	Annual Pension PMR Cost	Percentage Of APC Contributed
<u>Funding</u>	<u>PMR Cost</u>	<u>Contributed</u>
June 30, 2015	\$156,333.	100%
June 30, 2014	132,751.	100%
June 30, 2013	213,740.	100%

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$248,179 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$230,561 during the year ended June 30, 2015, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 12. POST RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

GASB statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the State of New Jersey and as such, no district OPEB liability exists.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13. 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, 2015, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

NOTE 14. 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 15. 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>
2014-2015	\$39,276.	\$6,512.	\$139.	\$31,847.	\$58,629.
2013-2014	0.	6,576.	184.	16,155.	44,549.
2012-2013	50,000.	6,785.	264.	39,529.	53,944.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$35,986.	\$26,769.
Special Revenue Fund		8,535.
Debt Service Fund		25,122.
Enterprise Fund	23,449.	2,329.
Agency Fund	3,320.	
	\$62,755.	\$62,755.

The amounts due from the Special Revenue Fund and the Debt Service Fund to the General Fund represents the cash deficit in the Special Revenue Fund and Debt Service Fund due to delays in receiving grant funds and tax levy.

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; and
3. Payments between funds are made.

NOTE 17. CONTINGENT LIABILITIES

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 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 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, 2015 is \$569,060.

NOTE 19. DEFICIT FUND BALANCES

The District has a deficit fund balances of \$0 in the General Fund and \$(29,037.) in the Special Revenue Fund as of June 30, 2015 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 can not 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.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 19. DEFICIT FUND BALANCES (Cont'd)

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 \$(29,037.) is equal to (or) is less than the last state aid payments.

NOTE 20. FUND BALANCE APPROPRIATED

General Fund

Of the \$1,478,233. General Fund balance at June 30, 2015, \$59,003 is reserved for encumbrances; \$250,000 has been legally reserved for tuition adjustment in accordance with *N.J.A.C. 6A:23A-3.1(f)(8)*; \$569,060. is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7* (\$321,851. of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$281,203 has been reserved in the Capital Reserve Account; \$338,000 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; \$13,583 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and (\$282,616) is unreserved and undesignated.

Debt Service Fund

Of the Debt Service Fund fund balance at June 30, 2015; \$0 is reserved in accordance with *N.J.S.A. 7F-41c (2)* and \$2 is unreserved and undesignated.

NOTE 21. 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, 2015.

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, 2015 is \$569,060., \$321,851 has been restricted and designated for utilization in the 2015-2016 budget.

Capital Reserve Account: As of June 30, 2015, the balance in the capital reserve account is \$281,203. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2015, the balance in the maintenance reserve account is \$338,000. 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).

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 21. FUND BALANCE (Cont'd)

Emergency Reserve Account – As of June 30, 2015, 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 \$250,000 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.

Capital Projects: As of June 30, 2015, the balance in the capital projects account is \$387,684. Budgets of district projects are approved and funded by voter referendum and the School Development Authority.

Debt Service Fund – As of June 30, 2015, the restricted fund balance in the debt service fund was \$2.

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, 2015, the School District had \$59,003 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

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:

General Fund:

For Subsequent Year's Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$13,583 of general fund balance at June 30, 2015.

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 fund balance is summarized as follows:

General Fund:

As of June 30, 2015, the unassigned fund balance of the general fund was \$(282,616.)

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 22. SUBSEQUENT EVENTS

Subsequent events were evaluated by management through December 18, 2015.

NOTE 23. RETROACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period:

The District adopted GASB No. 68 – Accounting and Financial Reporting for Pensions – An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. This pronouncement requires the district to record its proportional share of the State of New Jersey’s net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the measurement date of the net pension liability is June 30, 2014 (as described in Note 8), the restatement adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Net Position (per A-2), June 30, 2014	\$7,441,675.
Restatement of Net Pension Liability	(1,364,610.)
Restatement of Deferred Outflows	58,534.
Net Position (per A-2), June 30, 2014 as Restated	<u>\$6,135,599.</u>

REQUIRED SUPPLEMENTARY INFORMATION–PART II

BUDGETARY COMPARISON SCHEDULES

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,157,571.	0.	\$ 2,157,571.	\$ 2,157,571.	\$ 0.
Tuition	0.	0.	0.	9,629.	9,629.
Interest Earned	28.	0.	28.	10,903.	10,875.
Miscellaneous	25,000.	0.	25,000.	16,438.	(8,562.)
Total Local Sources	2,182,599.	0.	2,182,599.	2,194,541.	11,942.
State Sources:					
Equalization Aid	5,065,576.	0.	5,065,576.	5,065,576.	0.
School Choice Aid	428,960.	(10,724.)	418,236.	418,236.	0.
Categorical Transportation Aid	57,280.	0.	57,280.	57,280.	0.
Special Education Aid	330,508.	0.	330,508.	330,508.	0.
Security Aid	158,998.	0.	158,998.	158,998.	0.
Under Adequacy Aid	3,746.	0.	3,746.	3,746.	0.
PARCC Readiness Aid	5,780.	0.	5,780.	5,780.	0.
Per Pupil Growth Aid	5,780.	0.	5,780.	5,780.	0.
On-Behalf TPAF Pension Contribution (Non-Budgeted)	0.	0.	0.	404,512.	404,512.
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	230,561.	230,561.
Extraordinary Aid	0.	0.	0.	21,477.	21,477.
Additional Non-Public Transportation Aid	0.	0.	0.	2,784.	2,784.
Total State Sources	6,056,628.	(10,724.)	6,045,904.	6,705,238.	659,334.
Total Revenues	8,239,227.	(10,724.)	8,228,503.	8,899,779.	671,276.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditure:					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 32,130.	\$ (13,299.)	\$ 18,831.	\$ 18,828.	3.
Kindergarten - Salaries of Teachers	257,764.	(30,866.)	226,898.	223,211.	3,687.
Grades 1 - 5 - Salaries of Teachers	1,044,854.	(43,035.)	1,001,819.	1,001,709.	110.
Grades 6 - 8 - Salaries of Teachers	796,240.	34,200.	830,440.	820,778.	9,662.
Home Instruction:					
Salaries of Teachers	2,500.	500.	3,000.	2,938.	62.
Purchased Professional/Educational Services	0.	11,000.	11,000.	8,677.	2,323.
Regular programs - Undistributed Instruction:					
Other Salaries for Instruction	53,440.	62,000.	115,440.	115,140.	300.
Purchased Professional/Educational Services	6,000.	(5,130.)	870.	858.	12.
Other Purchased Services	54,300.	(5,470.)	48,830.	48,308.	522.
General Supplies	86,953.	23,820.	110,773.	105,778.	4,995.
Textbooks	0.	8,880.	8,880.	8,878.	2.
Other Objects	500.	2,300.	2,800.	824.	1,976.
Total Regular Programs - Instruction	<u>2,334,681.</u>	<u>44,900.</u>	<u>2,379,581.</u>	<u>2,355,927.</u>	<u>23,654.</u>
Special Education - Instruction:					
Learning and/or Learning Disabilities:					
Salaries of Teachers	109,653.	(109,653.)	0.	0.	0.
Total Special Education - Learning and/or Learning Dis.	<u>109,653.</u>	<u>(109,653.)</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>
Resource Room/Resource Center:					
Salaries of Teachers	99,687.	66,200.	165,887.	165,730.	157.
Total Resource Room/Resource Center	<u>99,687.</u>	<u>66,200.</u>	<u>165,887.</u>	<u>165,730.</u>	<u>157.</u>
Total Special Education - Instruction	<u>209,340.</u>	<u>(43,453.)</u>	<u>165,887.</u>	<u>165,730.</u>	<u>157.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 73,712.	\$ 167,430.	\$ 241,142.	\$ 208,277.	\$ 32,865.
Total Basic Skills/Remedial - Instruction	<u>73,712.</u>	<u>167,430.</u>	<u>241,142.</u>	<u>208,277.</u>	<u>32,865.</u>
Bilingual Education - Instruction:					
Salaries of Teachers	58,150.	(3,400.)	54,750.	54,730.	20.
Total Bilingual Education - Instruction	<u>58,150.</u>	<u>(3,400.)</u>	<u>54,750.</u>	<u>54,730.</u>	<u>20.</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	12,000.	3,145.	15,145.	15,124.	21.
Purchased Services	2,500.	(2,320.)	180.	180.	0.
Supplies and Materials	1,500.	(525.)	975.	975.	0.
Total School Sponsored Co-Curricular Activities - Instruction	<u>16,000.</u>	<u>300.</u>	<u>16,300.</u>	<u>16,279.</u>	<u>21.</u>
School Sponsored Athletics - Instruction:					
Salaries	20,000.	1,600.	21,600.	21,567.	33.
Purchased Services	2,500.	0.	2,500.	1,846.	654.
Supplies and Materials	3,500.	(1,900.)	1,600.	962.	638.
Total School Sponsored Athletics - Instruction	<u>26,000.</u>	<u>(300.)</u>	<u>25,700.</u>	<u>24,375.</u>	<u>1,325.</u>
Community Service Programs - Operations:					
Salaries	15,000.	0.	15,000.	15,000.	0.
Total Community Service Programs - Operations	<u>15,000.</u>	<u>0.</u>	<u>15,000.</u>	<u>15,000.</u>	<u>0.</u>
Total Instruction	<u>2,732,883.</u>	<u>165,477.</u>	<u>2,898,360.</u>	<u>2,840,318.</u>	<u>58,042.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEA's Within the State - Regular	\$ 1,620,430.	\$ 45,041.	\$ 1,665,471.	\$ 1,665,304.	\$ 167.
Tuition - Other LEA's Within the State - Special	185,439.	0.	185,439.	133,627.	51,812.
Tuition - County Voc. School Districts - Regular	20,707.	2,500.	23,207.	17,607.	5,600.
Tuition - County Voc. School Districts - Special	43,560.	0.	43,560.	16,090.	27,470.
Tuition - Co. Spec. Services and Regional Day Schls	467,838.	3,248.	471,086.	437,525.	33,561.
Tuition - Private Schls/Handicapped within State	166,167.	(91,900.)	74,267.	56,306.	17,961.
Tuition - Private Schls/Hand. Other LEA's Out-State	66,543.	252.	66,795.	60,750.	6,045.
Total Instruction	2,570,684.	(40,859.)	2,529,825.	2,387,209.	142,616.
Attendance and Social Work Services:					
Salaries	37,361.	400.	37,761.	37,716.	45.
Other Purchased Services	100.	400.	500.	500.	0.
Total Attendance and Social Work Services	37,461.	800.	38,261.	38,216.	45.
Health Services:					
Salaries	59,919.	150.	60,069.	60,069.	0.
Purchased Professional and Technical Services	3,000.	3,000.	6,000.	5,164.	836.
Other Purchased Services	200.	0.	200.	0.	200.
Supplies and Materials	5,000.	(350.)	4,650.	2,777.	1,873.
Total Health Services	68,119.	2,800.	70,919.	68,010.	2,909.
Speech, OT, PT and Related Services:					
Purchased Professional - Educational Services	66,700.	14,400.	81,100.	72,306.	8,794.
Supplies and Materials	250.	0.	250.	0.	250.
Total Speech, OT, PT and Related Services	66,950.	14,400.	81,350.	72,306.	9,044.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Special Education - Extraordinary Services:					
Salaries	\$ 71,231.	\$ 6,900.	\$ 78,131.	\$ 77,782.	\$ 349.
Purchased Professional - Educational Services	42,500.	(5,000.)	37,500.	37,400.	100.
Total Special Education - Extraordinary Services	113,731.	1,900.	115,631.	115,182.	449.
Guidance:					
Salaries of Other Professional Staff	59,777.	(59,777.)	0.	0.	0.
Supplies and Materials	0.	350.	350.	255.	95.
Total Guidance	59,777.	(59,427.)	350.	255.	95.
Child Study Teams:					
Purchased Professional Educational Services	32,604.	(3,300.)	29,304.	0.	29,304.
Other Purchased Professional and Technical Service	1,500.	150.	1,650.	1,650.	0.
Miscellaneous Purchased Services	2,000.	(150.)	1,850.	1,200.	650.
Supplies and Materials	250.	150.	400.	362.	38.
Total Child Study Teams	36,354.	(3,150.)	33,204.	3,212.	29,992.
Improve of Instruct Serv/Other Support Serv - Instruct Staff:					
Salaries of Other Professional Staff	21,000.	(18,090.)	2,910.	2,910.	0.
Other Salaries	17,500.	(17,500.)	0.	0.	0.
Total Improvement of Instructional Services	38,500.	(35,590.)	2,910.	2,910.	0.
Educational Media Services - School Library:					
Salaries	2,081.	0.	2,081.	2,081.	0.
Total Educational Media Services - School Library	2,081.	0.	2,081.	2,081.	0.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 20,200.	\$ (2,010.)	\$ 18,190.	\$ 16,400.	\$ 1,790.
Other Salaries	58,000.	(12,800.)	45,200.	45,060.	140.
Purchased Professional Educational Services	5,000.	0.	5,000.	51.	4,949.
Other Purchased Services	7,000.	0.	7,000.	2,735.	4,265.
Supplies and Materials	500.	0.	500.	0.	500.
Other Objects	1,800.	0.	1,800.	1,641.	159.
Total Instructional Staff Training Services	92,500.	(14,810.)	77,690.	65,887.	11,803.
Support Services - General Administration:					
Salaries	71,760.	1,400.	73,160.	73,126.	34.
Legal Services	10,000.	0.	10,000.	3,134.	6,866.
Audit Fees	20,500.	0.	20,500.	19,600.	900.
Other Purchased Professional Services	13,000.	5,071.	18,071.	16,946.	1,125.
Purchased Technical Service	2,000.	(101.)	1,899.	1,806.	93.
Communications/Telephone	23,000.	(1,400.)	21,600.	20,775.	825.
BOE Other Purchased Services	1,000.	0.	1,000.	0.	1,000.
Other Purchased Services	18,970.	(4,970.)	14,000.	12,973.	1,027.
General Supplies	2,000.	0.	2,000.	1,817.	183.
Miscellaneous Expenditures	2,000.	0.	2,000.	1,520.	480.
BOE Membership Dues and Fees	4,500.	0.	4,500.	4,049.	451.
Total Support Services - General Administration	168,730.	0.	168,730.	155,746.	12,984.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 85,500.	\$ 300.	\$ 85,800.	\$ 85,800.	\$ 0.
Salaries of Other Professionals Staff	1,710.	0.	1,710.	1,710.	0.
Salaries of Secretarial & Clerical Assistants	0.	51,396.	51,396.	49,979.	1,417.
Other Salaries	51,696.	(51,136.)	560.	560.	0.
Purchased Professional and Technical Services	10,000.	0.	10,000.	8,889.	1,111.
Other Purchased Services	8,500.	0.	8,500.	6,463.	2,037.
Supplies and Materials	15,000.	823.	15,823.	9,678.	6,145.
Other Objects	5,000.	0.	5,000.	3,997.	1,003.
Total Support Services - School Administration	177,406.	1,383.	178,789.	167,076.	11,713.
Central Services:					
Salaries	147,120.	0.	147,120.	147,115.	5.
Purchased Professional Services	2,400.	0.	2,400.	450.	1,950.
Purchased Technical Services	10,000.	(750.)	9,250.	9,100.	150.
Miscellaneous Purchased Services	1,000.	1,050.	2,050.	1,697.	353.
Supplies and Materials	2,000.	(183.)	1,817.	953.	864.
Miscellaneous Expenditures	1,500.	0.	1,500.	1,080.	420.
Total Central Services	164,020.	117.	164,137.	160,395.	3,742.
Admin. Info. Technology:					
Purchased Technical Services	35,000.	0.	35,000.	25,714.	9,286.
Total Admin. Info. Technology	35,000.	0.	35,000.	25,714.	9,286.
Allowable Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	69,100.	0.	69,100.	40,038.	29,062.
General Supplies	2,500.	2,969.	5,469.	4,818.	651.
Total Allowable Maintenance for School Facilities	71,600.	2,969.	74,569.	44,856.	29,713.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Other Operation and Maintenance of Plant Services:					
Salaries	\$ 149,604.	\$ 2,500.	\$ 152,104.	\$ 151,954.	\$ 150.
Purchased Professional and Technical Services	31,000.	(500.)	30,500.	27,551.	2,949.
Cleaning, Repair and Maintenance Services	30,000.	5,330.	35,330.	27,180.	8,150.
Insurance	33,851.	0.	33,851.	32,576.	1,275.
Miscellaneous Purchased Services	100.	1,675.	1,775.	1,685.	90.
General Supplies	35,000.	3,866.	38,866.	27,032.	11,834.
Energy (Natural Gas)	36,600.	11,000.	47,600.	42,493.	5,107.
Energy (Electricity)	30,000.	88,800.	118,800.	105,935.	12,865.
Other Objects	585.	350.	935.	920.	15.
Total Other Operation and Maintenance of Plant Services	346,740.	113,021.	459,761.	417,326.	42,435.
Total Operation and Maintenance of Plant Services	418,340.	115,990.	534,330.	462,182.	72,148.
Students Transportation Services:					
Salaries - Between Home & School	8,323.	0.	8,323.	8,323.	0.
Management Fee-ESC Transportation Programs	10,000.	936.	10,936.	9,093.	1,843.
Other Purchased Professional and Technical Service	3,200.	0.	3,200.	2,935.	265.
Contracted Services (Home/School) - Vendors	449,728.	(30,000.)	419,728.	381,557.	38,171.
Contracted Services (Not Home/School) - Vendors	19,580.	0.	19,580.	11,334.	8,246.
Contracted Services (Special Ed) - ESCs	260,000.	29,064.	289,064.	219,900.	69,164.
Contracted Serv - Aid in Lieu of Payments - Nonpublic	17,680.	0.	17,680.	13,947.	3,733.
Contracted Serv - Aid in Lieu of Payments - Charter	884.	0.	884.	884.	0.
Contracted Serv - Aid in Lieu of Payments - Choice	4,420.	0.	4,420.	4,420.	0.
Total Student Transportation Services	773,815.	0.	773,815.	652,393.	121,422.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Unallocated Benefits:					
Social Security Contributions	\$ 70,000.	\$ 0.	\$ 70,000.	\$ 68,738.	\$ 1,262.
Other Retirement Contributions - Regular	60,180.	0.	60,180.	58,534.	1,646.
Unemployment Compensation	50,000.	(10,724.)	39,276.	39,276.	0.
Workmen's Compensation	40,205.	0.	40,205.	38,952.	1,253.
Health Benefits	753,754.	7,200.	760,954.	736,645.	24,309.
Tuition Reimbursement	10,000.	1,950.	11,950.	6,237.	5,713.
Other Employee Benefits	37,008.	(7,200.)	29,808.	20,781.	9,027.
Total Unallocated Benefits	1,021,147.	(8,774.)	1,012,373.	969,163.	43,210.
On Behalf TPAF Pension Contribution (Non-Budgeted)	0.	0.	0.	404,512.	(404,512.)
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	230,561.	(230,561.)
Total Undistributed Expenditures	5,844,615.	(25,220.)	5,819,395.	5,983,010.	(163,615.)
CAPITAL OUTLAY:					
Instruction:					
Equipment	0.	5,850.	5,850.	5,850.	0.
Total Instruction	0.	5,850.	5,850.	5,850.	0.
Facilities Acquisition and Construction Services:					
Construction Services	50,000.	0.	50,000.	42,628.	7,372.
Supplies and Materials	30,300.	0.	30,300.	8,596.	21,704.
Assessment for Debt Service on SDA Funding	40,020.	0.	40,020.	40,020.	0.
Total Facilities Acquisition and Construction Services	120,320.	0.	120,320.	91,244.	29,076.
Total Capital Outlay Expenditures	120,320.	5,850.	126,170.	97,094.	29,076.
Transfer to Charter School	12,441.	(12,441.)	0.	0.	0.
Total General Fund	8,710,259.	133,666.	8,843,925.	8,920,422.	(76,497.)

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (471,032.)	\$ (144,390.)	\$ (615,422.)	\$ (20,643.)	\$ 594,779.
Fund Balance, July 1	2,055,753.	0.	2,055,753.	2,055,753.	0.
Fund Balance, June 30	\$ 1,584,721.	\$ (144,390.)	\$ 1,440,331.	\$ 2,035,110.	\$ 594,779.

Recapitulation:

Restricted Fund Balance:	
Capital Reserve	\$ 281,203.
Maintenance Reserve	338,000.
Emergency Reserve	250,000.
Tuition Reserve	250,000.
Excess Surplus Designated for Subsequent Year's Expenditures	321,851.
Excess Surplus - Current Year	247,209.
Assigned Fund Balance:	
Year-End Encumbrances	59,003.
Designated for Subsequent Year's Expenditures	13,583.
Unassigned Fund Balance	274,261.
Total	<u>2,035,110.</u>

Reconciliation to Governmental Funds Statements (GAAP):

Less: State Aid Payments Not Recognized on GAAP Basis	(556,877.)
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 1,478,233.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 3,374.	\$ 0.	\$ 3,374.	\$ 3,374.	\$ 0.
State Sources	319,253.	0.	319,253.	267,907.	(51,346.)
Federal Sources	485,595.	0.	485,595.	476,626.	(8,969.)
Total Revenues	808,222.	0.	808,222.	747,907.	(60,315.)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	376,046.	0.	376,046.	366,437.	9,609.
Other Salaries for Instruction	62,871.	0.	62,871.	55,584.	7,287.
Other Purchased Services	13,925.	0.	13,925.	13,925.	0.
General Supplies	49,120.	0.	49,120.	36,481.	12,639.
Total Instruction	501,962.	0.	501,962.	472,427.	29,535.
Support Services:					
Salaries of Other Professional Staff	15,000.	0.	15,000.	15,000.	0.
Personal Services - Employee Benefits	113,049.	0.	113,049.	86,980.	26,069.
Purchased Professional - Educational Services	160,837.	0.	160,837.	160,837.	0.
Other Purchased Professional Services	2,500.	0.	2,500.	2,500.	0.
Purchased Technical Services	2,588.	0.	2,588.	2,588.	0.
Travel	1,570.	0.	1,570.	1,570.	0.
Other Purchased Services	5,930.	0.	5,930.	4,400.	1,530.
Supplies & Materials	1,786.	0.	1,786.	1,605.	181.
Other Objects	3,000.	0.	3,000.	0.	3,000.
Total Support Services	306,260.	0.	306,260.	275,480.	30,780.
Total Expenditures	808,222.	0.	808,222.	747,907.	60,315.
Total Outflows	808,222.	0.	808,222.	747,907.	60,315.
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part II**

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

	General Fund	Special Revenue Fund	Capital Projects Fund
Sources/inflows of resources:			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,504,846.	\$ 747,907.	\$ 0.
Differences - 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 Encumbrance Paid			
Current Year Encumbrance			
State aid payment recognized for GAAP statement in the current year, previously recognized for budgetary purposes.	545,221.	39,684.	0.
State aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(556,876.)	(29,037.)	0.
Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 8,493,191.</u>	<u>\$ 758,554.</u>	<u>\$ 0.</u>
Uses/Outflow of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 8,512,619.	\$ 747,907.	\$ 0.
Differences - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Prior Year Encumbrance Paid			
Current Year Encumbrance			
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 8,512,619.</u>	<u>\$ 747,907.</u>	<u>\$ 0.</u>

**REQUIRED SUPPLEMENTARY
INFORMATION—PART III**

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERS
Last Two Fiscal Years

	Measurement Date	
	Ending June 30,	
	2014	2013
District's proportion of the net pension liability (asset)	0.00710032%	0.00714007%
District's proportionate share of the net pension liability (asset)	<u>\$ 1,329,374.</u>	<u>\$ 1,364,610.</u>
District's covered-employee payroll	\$ 565,567.	N/A
District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	235.05%	N/A
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
Last Two Fiscal Years

PERS

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 58,534.	\$ 53,799.
Contributions in relation to the contractually required contribution	<u>(58,534.)</u>	<u>(53,799.)</u>
Contribution deficiency (excess)	<u>0.</u>	<u>0.</u>
District's covered-employee payroll	\$ 565,567.	N/A
Contributions as a percentage of covered-employee payroll	10.35%	N/A

TPAF

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2014</u>
Contractually required contribution	N/A	N/A
Contributions in relation to the contractually required contribution	N/A	N/A
Contribution deficiency (excess)	N/A	N/A
District's covered-employee payroll	\$ 3,065,268.	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TPAF
Last Two Fiscal Years

	Measurement Date	
	Ending June 30,	
	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	N/A	N/A
District's proportionate share of the net pension liability (asset)	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 16,771,755.</u>	<u>\$ 16,717,713.</u>
Total	<u>\$ 16,771,755.</u>	<u>\$ 16,717,713.</u>
District's covered-employee payroll	\$ 3,065,268.	N/A
District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – Part III**

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PENSION SCHEDULES
JUNE 30, 2015**

Note 1. Teachers' Pension and Annuity Fund (TPAF)

Changes of benefits terms. The vesting and benefits provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vented 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 member's accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active member are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvement for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Note 2. Public Employees' Retirement System (PERS)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

Note 3. Schedule of School District's Proportionate Share of the Net Pension Liability – PERS/TPAF and Schedule of Employer's Contribution for PERS/TPAF

The information presented in these required supplementary schedules was determined as part of the audit of the State of New Jersey Division of Pension and Benefits. Additional information for the pension schedules can be found in the notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

N/A

SPECIAL REVENUE FUND

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Title I, Part A Current Year	Title I, Part A Prior Year	Title II, Part A	I.D.E.A. Part B Basic	I.D.E.A. Part B Pre-School	REAP Grant	Private Foundation Grants	Pre-School Education Aid	Totals 2015
Revenues:									
Local Sources	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 3,374.	\$ 0.	\$ 3,374.
State Sources	0.	0.	0.	0.	0.	0.	0.	267,907.	267,907.
Federal Sources	253,729.	3,160.	19,374.	166,696.	4,283.	29,384.	0.	0.	476,626.
Total Revenues	\$ 253,729.	\$ 3,160.	\$ 19,374.	\$ 166,696.	\$ 4,283.	\$ 29,384.	\$ 3,374.	\$ 267,907.	\$ 747,907.
Expenditures:									
Instruction:									
Salaries of Teachers	\$ 197,600.	\$ 0.	\$ 15,000.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 153,837.	\$ 366,437.
Other Salaries for Instruction	0.	0.	0.	0.	0.	0.	0.	55,584.	55,584.
Other Purchased Services	0.	0.	0.	10,142.	0.	3,783.	0.	0.	13,925.
General Supplies	1,809.	0.	474.	0.	0.	25,601.	0.	8,597.	36,481.
Total Instruction	199,409.	0.	15,474.	10,142.	0.	29,384.	0.	218,018.	472,427.
Support Services:									
Salaries of Other Professional Staff	0.	0.	0.	0.	0.	0.	0.	15,000.	15,000.
Personal Services - Employee Benefits	49,920.	3,160.	3,900.	0.	0.	0.	0.	30,000.	86,980.
Purchased Professional - Educational Services	0.	0.	0.	156,554.	4,283.	0.	0.	0.	160,837.
Other Purchased Professional Services	0.	0.	0.	0.	0.	0.	0.	2,500.	2,500.
Purchased Technical Services	0.	0.	0.	0.	0.	0.	2,588.	0.	2,588.
Travel	0.	0.	0.	0.	0.	0.	0.	1,570.	1,570.
Other Purchased Services	4,400.	0.	0.	0.	0.	0.	0.	0.	4,400.
Supplies & Materials	0.	0.	0.	0.	0.	0.	786.	819.	1,605.
Total Support Services	54,320.	3,160.	3,900.	156,554.	4,283.	0.	3,374.	49,889.	275,480.
Total Expenditures	\$ 253,729.	\$ 3,160.	\$ 19,374.	\$ 166,696.	\$ 4,283.	\$ 29,384.	\$ 3,374.	\$ 267,907.	\$ 747,907.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRE-SCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Total		
	Budgeted	Actual	Variance
Expenditures:			
Instruction:			
Salaries - Teachers	\$ 159,046.	\$ 153,837.	\$ 5,209.
Other Salaries for Instruction	62,871.	55,584.	7,287.
Supplies	9,107.	8,597.	510.
Total Instruction	<u>231,024.</u>	<u>218,018.</u>	<u>13,006.</u>
Support Services:			
Salaries - Other Professional	15,000.	15,000.	0.
Personal Services - Employee Benefits	59,229.	30,000.	29,229.
Purchased Professional Services	2,500.	2,500.	0.
Contracted Services	500.	0.	500.
Travel	3,000.	1,570.	1,430.
Miscellaneous Purchased Services	4,000.	0.	4,000.
Supplies	1,000.	819.	181.
Other Objects	3,000.	0.	3,000.
Total Support Services	<u>88,229.</u>	<u>49,889.</u>	<u>38,340.</u>
Total Expenditures	<u>\$ 319,253.</u>	<u>\$ 267,907.</u>	<u>\$ 51,346.</u>

Calculation of Budget and Carryover

Total Revised 2014-2015 Pre-School Education Aid Allocation	\$ 290,370.
Add: Actual Pre-School Education Aid Carryover (June 30, 2014)	151,039.
Total Pre-School Education Aid Funds Available for 2014-2015 Budget	<u>441,409.</u>
Less: 2013-2014 Budgeted Pre-School Education Aid Including Prior Year Budget C/O	319,253.
Available and Unbudgeted Pre-School Education Aid Funds as of June 30, 2015	<u>122,156.</u>
Add: June 30, 2015 Unexpended/(Over-Expended) Pre-School Education Aid	51,346.
2014-2015 Carryover - Pre-School Education Aid/Pre-School	<u>\$ 173,502.</u>
2014-2015 Pre-School Education Aid Carryover Budgeted for Pre-School Programs 2015-2016	<u>\$ 122,156.</u>

CAPITAL PROJECTS FUND

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015

Project Description	Total Authorized Cost	Prior Year's Expenditures	Current Year Expenditures	Transfer to Debt Service Fund	Adjustment	Unexpended Balance
Myron L. Powell Elementary: School Improvements 2010	\$ 6,549,146.	\$ 5,809,324.	\$ 0.	\$ 135,000.	\$ 217,138.	\$ 387,684.
Total	\$ 6,549,146.	\$ 5,809,324.	\$ 0.	\$ 135,000.	\$ 217,138.	\$ 387,684.

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources:	
State sources - SDA Grant	\$ 0.
Bond proceeds	
Bond premium	
Interest income	
Transfer from capital reserve	
Transfer from general fund	
Cancellation of accounts receivable	
	<hr/>
Total revenues and other financing sources	<hr/> 0.
Expenditures and Other Financing Uses:	
Purchased professional and technical services	<hr/> 0.
Total expenditures and other financing uses	<hr/> 0.
Excess (deficiency) of revenues over (under) expenditures	(0.)
Other Financing Sources (Uses):	
Transfer to Debt Service Fund	<hr/> (135,000.)
Net change in fund balance	(135,000.)
Fund balance - beginning	<hr/> 522,684.
Fund balance - ending	<hr/> <u>\$ 387,684.</u>

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SDA Grant	\$ 3,815,222.	\$ 0.	\$ 3,815,222.	\$ 3,815,222.
Bond proceeds	2,216,000.	0.	2,216,000.	2,216,000.
Bond premium	886.	0.	886.	0.
Interest income	32,000.	0.	32,000.	0.
Transfer from capital reserve	300,000.	0.	300,000.	300,000.
Transfer from general fund	786.	0.	786.	786.
Total revenues and other financing sources	6,364,894.	0.	6,364,894.	6,332,008.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	611,400.	0.	611,400.	611,400.
Construction services	5,137,233.	0.	5,137,233.	5,659,917.
Transfer to debt service	32,886.	135,000.	167,886.	
Other objects	60,691.	0.	60,691.	60,691.
Total expenditures and other financing uses	5,842,210.	135,000.	5,977,210.	6,332,008.
Excess (deficiency) or revenues over (under) expenditures	\$ 522,684.	\$ (135,000.)	\$ 387,684.	\$ 0.
Additional project information:				
DOE Project Number	2570-030-09-1001			
SDA Project Number	2570-030-09-00BT			
Grant Number	G5-4048			
Grant Date	1/7/2010			
Bond Authorization Date	12/10/2009			
Bonds Authorized	\$ 2,216,000.			
Bonds Issued	\$ 2,216,000.			
Original Authorized Cost	\$ 6,549,146.			
Additional Authorized Cost	\$ 749,822.			
Revised Authorized Cost	\$ 5,799,324.			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100.00%			
Original Target Completion Date	August, 2011			
Revised Target Completion Date	August, 2012			

PROPRIETARY FUNDS

ENTERPRISE FUND

LAWRENCE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

	Food Service	Latchkey	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 72,809.	\$ 0.	\$ 72,809.
Accounts receivable:			
State	260.	0.	260.
Federal	15,358.	0.	15,358.
Interfund	23,449.	0.	23,449.
Other	54.	420.	474.
Inventories	6,560.	0.	6,560.
Total current assets	<u>118,490.</u>	<u>420.</u>	<u>118,910.</u>
Fixed assets:			
Equipment	198,668.	0.	198,668.
Accumulated depreciation	(120,713.)	0.	(120,713.)
Total fixed assets	<u>77,955.</u>	<u>0.</u>	<u>77,955.</u>
Total assets	<u>\$ 196,445.</u>	<u>\$ 420.</u>	<u>\$ 196,865.</u>
DEFERRED OUTFLOW OF RESOURCES:			
	<u>\$ 5,174.</u>	<u>\$ 2,290.</u>	<u>\$ 7,464.</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	\$ 16,388.	\$ 0.	\$ 16,388.
Pension account payable	2,114.	936.	3,050.
Interfund accounts payable	0.	2,329.	2,329.
Prepaid latchkey	0.	9,268.	9,268.
Total current liabilities	<u>18,502.</u>	<u>12,533.</u>	<u>31,035.</u>
Long-term debt:			
Net pension liability	<u>40,546.</u>	<u>17,947.</u>	<u>58,493.</u>
Total liabilities	<u>59,048.</u>	<u>30,480.</u>	<u>89,528.</u>
DEFERRED INFLOW OF RESOURCES:			
	<u>\$ 2,612.</u>	<u>\$ 1,156.</u>	<u>\$ 3,768.</u>
NET POSITION:			
Invested in capital assets net of related debt	77,955.	0.	77,955.
Unrestricted	62,004.	(28,926.)	33,078.
Total net position	<u>\$ 139,959.</u>	<u>\$ (28,926.)</u>	<u>\$ 111,033.</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service	Latchkey	Totals
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch and breakfast program	\$ 40,559.	\$ 0.	\$ 40,559.
Service fees	0.	47,095.	47,095.
Daily sales non-reimbursable programs:			
Adult and other sales	33,696.	0.	33,696.
Total operating revenues	74,255.	47,095.	121,350.
OPERATING EXPENSES:			
Salaries and fringe benefits	108,532.	25,475.	134,007.
Miscellaneous	7,448.	0.	7,448.
Supplies and materials	21,126.	8,027.	29,153.
Repairs and Maintenance	1,342.	0.	1,342.
Management fees	32,651.	0.	32,651.
Depreciation	6,992.	0.	6,992.
Purchased Service	0.	1,300.	1,300.
Cost of sales	113,654.	0.	113,654.
Total operating expenses	291,745.	34,802.	326,547.
Operating income/(loss)	(217,490.)	12,293.	(205,197.)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	3,347.	0.	3,347.
Federal sources:			
National school breakfast program	60,219.	0.	60,219.
National school lunch program	137,881.	0.	137,881.
National afterschool snack	5,655.	0.	5,655.
Food distribution program	14,753.	0.	14,753.
Interest	225.	0.	225.
Total nonoperation revenues	222,080.	0.	222,080.
Change in net position	4,590.	12,293.	16,883.
Net position - beginning, as previously reported	175,204.	(23,587.)	151,617.
Restatement due to change of accounting principle	(39,835.)	(17,632.)	(57,467.)
Net position - beginning, restated	135,369.	(41,219.)	94,150.
Net position - ending	\$ 139,959.	\$ (28,926.)	\$ 111,033.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Latchkey Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	\$ 69,252.	\$ 57,011.	\$ 126,263.
Cash payments to suppliers	(250,250.)	(8,028.)	(258,278.)
Other receipts (payment)	5,606.	(1,300.)	4,306.
Payment to employees	(24,292.)	(25,358.)	(49,650.)
Net cash used by operating activities	(199,684.)	22,325.	(177,359.)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State sources	3,434.		3,434.
Federal sources	210,951.		210,951.
Transfer		(22,325.)	(22,325.)
Net cash provided by non-capital financing activities	214,385.	(22,325.)	192,060.
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest on Investment	225.		225.
Net cash provided by financing activities	225.	0.	225.
Net increase/(decrease) in cash and cash equivalents	14,926.	0.	14,926.
Cash and cash equivalents - July 1	57,883.	0.	57,883.
Cash and cash equivalents - June 30	\$ 72,809.	\$ 0.	\$ 72,809.
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	\$ (217,490.)	\$ 12,293.	\$ (205,197.)
Adjustments to reconcile operating loss to cash provided (used) by operating activities:			
Depreciation	6,992.	0.	6,992.
Federal commodities	14,753.	0.	14,753.
Change in assets and liabilities:			
(Increase)/decrease in accounts receivable	604.	4,347.	4,951.
(Increase)/decrease in inventory	(926.)	0.	(926.)
(Increase)/decrease in outflow of resources	(1,104.)	(489.)	(1,593.)
Increase/(decrease) in accounts payable	(3,552.)	146.	(3,406.)
Increase/(decrease) in prepaid latchkey	0.	5,568.	5,568.
Increase/(decrease) in deferred inflow of resources	2,114.	936.	3,050.
Increase/(decrease) in net pension liability	(1,075.)	(476.)	(1,551.)
Net cash provided by (used) by operating activities	\$ (199,684.)	\$ 22,325.	\$ (177,359.)

INTERNAL SERVICE FUND

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

	<u>Shared Business Service</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 416,825.
Total current assets	<u>416,825.</u>
Fixed assets:	
Equipment	4,367.
Accumulated depreciation	<u>(4,367.)</u>
Total fixed assets	<u>0.</u>
Total assets	<u>\$ 416,825.</u>
DEFERRED OUTFLOW OF RESOURCES:	<u>\$ 11,910</u>
LIABILITIES:	
Current liabilities:	
Pension account payable	<u>4,866.</u>
Total current liabilities	<u>4,866.</u>
Long-term debt:	
Net pension liability	<u>93,322.</u>
Total liabilities	<u>98,188.</u>
DEFERRED INFLOW OF RESOURCES	<u>6,012.</u>
NET POSITION:	
Invested in capital assets net of related debt	0.
Unrestricted	<u>324,535.</u>
Total net position	<u><u>\$ 324,535.</u></u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Shared Business Services</u>
OPERATING REVENUES:	
Federal sources	
Fee	<u>\$ 106,000.</u>
Total operating revenues	<u>106,000.</u>
OPERATING EXPENSES:	
Salaries	68,536.
General Supplies	3,788.
Miscellaneous	424.
Total operating expenses	<u>72,748.</u>
Operating income/(loss)	<u>33,252.</u>
Change in net position	<u>33,252.</u>
Net Position - beginning, as previously reported	382,970.
Restarted for change in accounting principle	<u>(91,687.)</u>
Net Position - beginning, restated	<u>291,283.</u>
Net position - ending	<u><u>\$ 324,535.</u></u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Shared Business Services</u>
CASH FLOW FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 115,333.
Payment to suppliers	(4,212.)
Payment to employees	(67,933.)
Net cash provided (used) by operating activities	<u>43,188.</u>
CASH FLOWS FOR FINANCING ACTIVITIES:	
Repayment of interfund loan	
Purchase of equipment	
Net cash provided (used) by financing activities	<u>0.</u>
Net increase/decrease in cash and cash equivalents	43,188.
Cash and cash equivalents - July 1	<u>373,637.</u>
Cash and cash equivalents - June 30	<u>\$ 416,825.</u>
Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:	
Operating income (loss)	\$ 33,252.
Adjustments to reconcile operating loss to cash provided (used) by operating activities:	
Depreciation	0.
Change in assets and liabilities:	
(Increase)/decrease in intergovernmental receivable	9,333.
(Increase)/decrease in deferred outflow of resources	(3,587.)
Increase/(decrease) in account payable	652.
Increase/(decrease) in deferred inflow of resources	6,012.
Increase/(decrease) in net pension liability	(2,474.)
Net cash provided (used in) operating activities	<u>\$ 43,188.</u>

FIDUCIARY FUND

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015

	Student Activity	Payroll/ Agency	Private Purpose Scholarship Fund	Unemployment Compensation Trust	Total
ASSETS:					
Cash & Cash Equivalents	\$ 14,664.	\$ 4,622.	\$ 9,368.	\$ 52,375.	\$ 81,029.
Due from Agency	0.	0.	0.	6,254.	6,254.
Due from General	0.	3,320.	0.	0.	3,320.
Total Assets	\$ 14,664.	\$ 7,942.	\$ 9,368.	\$ 58,629.	\$ 90,603.
DEFERRED OUTFLOW OF RESOURCES:	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
LIABILITIES:					
Due to Student Groups	\$ 14,664.	\$ 0.	\$ 0.	\$ 0.	\$ 14,664.
Due to Payroll Withholdings	0.	1,688.	0.	0.	1,688.
Due to Unemployment	0.	6,254.	0.	0.	6,254.
Total Liabilities	\$ 14,664.	\$ 7,942.	\$ 0.	\$ 0.	\$ 22,606.
DEFERRED INFLOW OF RESOURCES:	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
NET POSITION:	\$ 0.	\$ 0.	\$ 9,368.	\$ 58,629.	\$ 67,997.
Total Net Position	\$ 0.	\$ 0.	\$ 9,368.	\$ 58,629.	\$ 67,997.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Total
ADDITIONS:			
Contributions:			
Plan Member	\$ 6,512.	\$ 0.	\$ 6,512.
Other	0.	4,311.	4,311.
Board Contribution	39,276.	0.	39,276.
Total Contributions	45,788.	4,311.	50,099.
Investment Earnings:			
Interest	139.	41.	180.
Net Investment Earnings	139.	41.	180.
Total Additions	45,927.	4,352.	50,279.
DEDUCTIONS:			
Scholarships Awarded	0.	4,500.	4,500.
Other	139.	1,769.	1,908.
Unemployment Claims	31,708.	0.	31,708.
Total Deductions	31,847.	6,269.	38,116.
Change in Net Position	14,080.	(1,917.)	12,163.
NET POSITION, JULY 1	44,549.	11,285.	55,834.
NET POSITION, JUNE 30	\$ 58,629.	\$ 9,368.	\$ 67,997.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Cash Balance July 1, 2014	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2015
Mryon L. Powell	\$ 32,255.	\$ 25,325.	\$ 43,845.	\$ 13,735.
Susan Ballinger's Creative Kids Camp	2,048.	4.	1,123.	929.
Total	\$ 34,303.	\$ 25,329.	\$ 44,968.	\$ 14,664.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and Cash Equivalents	\$ 6,777.	\$ 4,421,992.	\$ 4,424,147.	\$ 4,622.
Due from General	1,548.	1,772.	0.	3,320.
Total Assets	\$ 8,325.	\$ 4,423,764.	\$ 4,424,147.	\$ 7,942.
LIABILITIES:				
Net Payroll	\$ 0.	\$ 2,463,886.	\$ 2,463,886.	\$ 0.
Payroll Deductions and Withholdings	1,730.	1,959,878.	1,959,920.	1,688.
Due to Unemployment	6,595.	0.	341.	6,254.
Total Liabilities	\$ 8,325.	\$ 4,423,764.	\$ 4,424,147.	\$ 7,942.

LONG-TERM DEBT

LAWRENCE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF SERIAL BONDS
JUNE 30, 2015

Issue	Date of Issue	Amount Original Issue	Annual Maturities Date	Amount	Interest Rate Range	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
School Refunding Bonds:									
Series 2007	12/27/2007	\$ 2,345,000.	3/1/14-15	\$ 155,000.	3.00% - 4.16%	\$ 1,330,000.	\$ 0.	\$ 155,000.	\$ 1,175,000.
			3/1/16-17	165,000.					
			3/1/18-21	160,000.					
			3/1/2022	155,000.					
			3/1/2023	50,000.					
Myron L Powell Elementary School Additions Series 2010	1/21/2010	\$ 2,216,000.	9/1/2014	\$ 135,000.	2.75%-3.75%	1,851,000.	0.	135,000.	1,716,000.
			9/1/2015	140,000.					
			9/1/2016	145,000.					
			9/1/2017	155,000.					
			9/1/2018	160,000.					
			9/1/2019	165,000.					
			9/1/2020	175,000.					
			9/1/2021	180,000.					
			9/1/2022	190,000.					
			9/1/2023	200,000.					
			9/1/2024	206,000.					
TOTAL						\$ 3,181,000.	\$ 0.	\$ 290,000.	\$ 2,891,000.

LAWRENCE TOWNSHIP SCHOOL DISTRICT BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 150,749.	\$ 0.	\$ 150,749.	\$ 150,749.	\$ 0.
State Sources:					
Debt Service Aid - Type II	116,771.	0.	116,771.	116,771.	0.
Total Revenues	267,520.	0.	267,520.	267,520.	0.
EXPENDITURES:					
Regular Debt Service:					
Interest	112,520.	0.	112,520.	112,519.	1.
Redemption of Principal	290,000.	0.	290,000.	290,000.	0.
Total Regular Debt Service	402,520.	0.	402,520.	402,519.	1.
Total Expenditures	402,520.	0.	402,520.	402,519.	1.
Excess (deficiency) of revenues (over)/under expenditures	(135,000.)	0.	(135,000.)	(134,999.)	1.
Other Financing Sources (Uses):					
Transfers from Capital Project Fund	135,000.	0.	135,000.	135,000.	0.
Fund Balance, July 1	1.	0.	1.	1.	0.
Fund Balance, June 30	\$ 1.	\$ 0.	\$ 1.	\$ 2.	\$ 1.

STATISTICAL SECTION

FINANCIAL TRENDS

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 1,749,028.	\$ 1,742,785.	\$ 1,672,364.	\$ 1,824,001.	\$ 1,026,848.	\$ 3,473,378.	\$ 4,295,003.	\$ 4,594,871.	\$ 5,077,440.	\$ 5,139,584.
Restricted	82,380.	987,740.	1,207,970.	820,226.	821,943.	1,238,824.	1,861,213.	2,300,067.	2,232,898.	2,134,952.
Unrestricted	785,157.	222,592.	158,069.	826,615.	790,506.	570,278.	(85,708.)	238,453.	(20,280.)	(1,312,032.)
Total governmental activities net position	\$ 2,616,565.	\$ 2,953,117.	\$ 3,038,403.	\$ 3,470,842.	\$ 2,639,297.	\$ 5,282,480.	\$ 6,070,508.	\$ 7,133,391.	\$ 7,290,058.	\$ 5,962,504.
Business-Type Activities:										
Invested in capital assets, net of related debt	\$ 7,807.	\$ 6,331.	\$ 8,605.	\$ 9,620.	\$ 34,986.	\$ 106,868.	\$ 98,328.	\$ 91,939.	\$ 84,947.	\$ 77,955.
Unrestricted	105,122.	49,828.	93,527.	130,468.	141,704.	41,267.	17,476.	31,057.	66,670.	33,078.
Total business-type activities net position	\$ 112,929.	\$ 56,159.	\$ 102,132.	\$ 140,088.	\$ 176,690.	\$ 148,135.	\$ 115,804.	\$ 122,996.	\$ 151,617.	\$ 111,033.
District-Wide:										
Invested in capital assets, net of related debt	\$ 1,756,835.	\$ 1,749,116.	\$ 1,680,969.	\$ 1,833,621.	\$ 1,061,834.	\$ 3,580,246.	\$ 4,393,331.	\$ 4,686,810.	\$ 5,162,387.	\$ 5,217,539.
Restricted	82,380.	987,740.	1,207,970.	820,226.	821,943.	1,238,824.	1,861,213.	2,300,067.	2,232,898.	2,134,952.
Unrestricted	890,279.	272,420.	251,596.	957,083.	932,210.	611,545.	(68,232.)	269,510.	46,390.	(1,278,954.)
Total District Net Position	\$ 2,729,494.	\$ 3,009,276.	\$ 3,140,535.	\$ 3,610,930.	\$ 2,815,987.	\$ 5,430,615.	\$ 6,186,312.	\$ 7,256,387.	\$ 7,441,675.	\$ 6,073,537.

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 2,264,453.	\$ 2,389,818.	\$ 2,223,554.	\$ 2,371,354.	\$ 2,075,026.	\$ 2,368,875.	\$ 2,278,437.	\$ 2,274,341.	\$ 2,567,778.	\$ 2,484,080.
Special education	344,030.	360,398.	410,829.	395,900.	1,138,200.	932,148.	848,676.	770,426.	700,584.	661,458.
Other special instruction	87,033.	33,632.	141,235.	217,338.	180,977.	274,664.	190,636.	172,115.	100,026.	263,007.
Other instruction	23,773.	26,370.	25,473.	24,381.	38,479.	43,572.	39,749.	50,948.	58,426.	55,654.
Adult/continuing education programs	4,931.	4,867.	4,374.	4,874.	0.	0.	0.	0.	0.	0.
Support Services:										
Tuition	1,506,408.	1,341,238.	1,510,000.	2,057,425.	1,684,045.	1,741,322.	2,065,829.	2,049,782.	2,181,410.	2,387,209.
Student & instruction related services	1,212,397.	742,730.	728,580.	391,387.	381,057.	368,331.	439,958.	476,349.	555,285.	556,559.
School administrative Services	192,960.	193,166.	184,112.	171,838.	161,127.	174,041.	194,948.	209,091.	190,402.	197,367.
General & business administration services	441,206.	383,446.	371,669.	397,286.	418,617.	386,351.	383,046.	362,142.	366,823.	372,146.
Plant operations & maintenance	449,312.	470,099.	663,342.	491,254.	488,306.	542,142.	529,213.	480,580.	489,078.	483,154.
Pupil transportation	502,932.	516,260.	590,887.	685,201.	708,703.	684,342.	728,121.	724,617.	683,056.	652,393.
Other support services	990,487.	1,277,225.	1,272,217.	1,236,924.	1,348,621.	1,453,931.	1,544,495.	1,704,147.	1,544,406.	2,458,355.
Interest on long-term debt	118,357.	113,022.	103,015.	85,223.	111,839.	176,148.	105,788.	128,567.	119,107.	109,215.
Internal Service	0.	580,555.	559,107.	553,327.	109,020.	65,633.	89,353.	120,244.	69,115.	72,748.
Debt service assessment	0.	0.	0.	0.	0.	0.	0.	25,954.	40,020.	40,020.
Amortization of debt issuance cost	0.	0.	982.	1,964.	3,173.	4,382.	4,382.	4,382.	0.	0.
Total governmental activities expenses	8,138,279.	8,432,826.	8,789,376.	9,085,676.	8,847,190.	9,215,882.	9,442,631.	9,553,685.	9,665,516.	10,793,365.
Business-type activities:										
Food service	207,374.	207,291.	226,471.	246,602.	294,050.	275,241.	295,526.	309,511.	308,187.	291,745.
Child care	32,417.	46,767.	47,859.	49,051.	65,940.	55,591.	48,075.	28,347.	28,077.	34,802.
Total business-type activities expense	239,791.	254,058.	274,330.	295,653.	359,990.	330,832.	343,601.	337,858.	336,264.	326,547.
Total district expenses	\$ 8,378,070.	\$ 8,686,884.	\$ 9,063,706.	\$ 9,381,329.	\$ 9,207,180.	\$ 9,546,714.	\$ 9,786,232.	\$ 9,891,543.	\$ 10,001,780.	\$ 11,119,912.
Program Revenues:										
Governmental activities:										
Charges for services:										
Central and other support services	\$ 84,500.	\$ 94,500.	\$ 97,500.	\$ 129,100.	\$ 104,000.	\$ 103,350.	\$ 141,800.	\$ 204,400.	\$ 106,000.	\$ 106,000.
Operating grants and contributions	831,039.	1,010,884.	1,015,602.	837,631.	449,055.	432,039.	517,370.	675,617.	575,190.	1,381,218.
Total governmental activities program revenues	915,539.	1,105,384.	1,113,102.	966,731.	553,055.	535,389.	659,170.	880,017.	681,190.	1,487,218.

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Changes for services:										
Food service	\$ 68,677	\$ 68,770	\$ 109,597	\$ 102,478	\$ 97,708	\$ 68,122	\$ 68,595	\$ 74,080	\$ 74,078	\$ 74,255
Child care	42,577	38,031	42,072	35,246	46,632	41,741	38,591	43,149	47,302	47,095
Operating grants & contributions	164,922	165,487	168,635	195,885	221,480	192,414	204,084	227,393	243,324	221,855
Total business type activities program revenues	276,176	272,288	320,304	333,609	365,820	302,277	311,270	344,622	364,704	343,205
Total district program revenues	\$ 1,191,715	\$ 1,377,672	\$ 1,433,406	\$ 1,300,340	\$ 918,875	\$ 837,666	\$ 970,440	\$ 1,224,639	\$ 1,045,894	\$ 1,830,423
Net (Expense)/Revenue										
Governmental activities	(7,222,740)	(7,327,442)	(7,676,274)	(8,118,945)	(8,294,135)	(8,680,493)	(8,783,461)	(8,673,668)	(8,984,326)	(9,306,147)
Business-type activities	36,385	18,230	45,974	37,956	5,830	(28,555)	(32,331)	6,764	28,440	16,658
Total district-wide net expense	\$ (7,186,355)	\$ (7,309,212)	\$ (7,630,300)	\$ (8,080,989)	\$ (8,288,305)	\$ (8,709,048)	\$ (8,815,792)	\$ (8,666,904)	\$ (8,955,886)	\$ (9,289,489)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,859,786	\$ 1,769,532	\$ 1,879,691	\$ 1,879,691	\$ 1,927,691	\$ 1,927,691	\$ 1,927,691	\$ 1,927,691	\$ 1,927,691	\$ 2,157,571
Taxes levied for debt service	78,615	76,792	78,386	76,201	53,260	173,805	280,567	246,709	287,122	150,749
Grants and contributions	5,355,408	5,590,377	5,643,144	6,576,805	6,424,007	9,090,962	7,286,639	7,288,360	6,925,625	6,930,461
Tuition received	13,200	16,773	12,785	5,808	22,436	45,680	2,882	61,684	24,241	9,629
Investment earnings	72,896	98,067	64,793	13,759	26,747	34,921	34,376	20,077	11,781	10,903
Miscellaneous income	43,522	37,453	82,761	34,571	36,509	50,613	39,336	196,430	10,991	19,812
Adjustment to beginning accumulated depreciation	(40,044)	0	0	0	0	0	0	0	0	0
Adjustment to fixed assets	0	0	0	0	(1,020,000)	0	(2)	(4,400)	0	(51,923)
Transfers	0	75,000	0	0	0	0	0	0	0	0
Total governmental activities	7,383,383	7,663,994	7,761,560	8,586,835	7,470,650	11,323,672	9,571,489	9,736,551	9,187,451	9,227,202
Business-type activities:										
Investment earnings	0	0	0	0	36	0	0	2	181	225
Adjustment to fixed assets	0	0	0	0	30,736	0	0	0	0	0
Transfers	0	(75,000)	0	0	0	0	0	426	0	0
Total business-type activities	0	(75,000)	0	0	30,772	0	0	428	181	225
Total district-wide	\$ 7,383,383	\$ 7,588,994	\$ 7,761,560	\$ 8,586,835	\$ 7,501,422	\$ 11,323,672	\$ 9,571,489	\$ 9,736,979	\$ 9,187,632	\$ 9,227,427
Change in net position										
Governmental activities	160,643	336,552	85,286	467,890	(823,485)	2,643,179	788,028	1,062,883	203,125	(78,945)
Business-type activities	36,385	(56,770)	45,974	37,956	36,602	(28,555)	(32,331)	7,192	28,621	16,883
Total district	\$ 197,028	\$ 279,782	\$ 131,260	\$ 505,846	\$ (786,883)	\$ 2,614,624	\$ 755,697	\$ 1,070,075	\$ 231,746	\$ (62,062)

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 782,611.	\$ 987,739.	\$1,185,476.	\$1,768,344.	\$1,536,929.	\$1,441,424.	\$1,663,958.	\$2,040,321.	\$1,792,170.	\$ 1,760,849.
Unreserved	187,448.	295,419.	147,934.	(184,346.)	(301,372.)	(228,156.)	(257,396.)	(264,550.)	(281,638.)	(282,616.)
Total general fund	\$ 970,059.	\$1,283,158.	\$1,333,410.	\$1,583,998.	\$1,235,557.	\$1,213,268.	\$1,406,562.	\$1,775,771.	\$1,510,532.	\$ 1,478,233.
All Other Governmental Funds										
Reserved	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 298,827.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Unreserved, reported in:										
Special revenue fund	(22,426.)	(22,426.)	(28,326.)	(23,291.)	(24,062.)	(24,991.)	(31,470.)	(27,350.)	(39,684.)	(29,037.)
Capital projects fund	0.	0.	0.	0.	1,888,285.	531,986.	227,035.	532,684.	522,684.	387,684.
Debt service fund	1.	1.	22,494.	22,494.	887.	32,887.	32,000.	0.	1.	2.
Total all other governmental funds	\$ (22,425.)	\$ (22,425.)	\$ (5,832.)	\$ (797.)	\$2,163,937.	\$ 539,882.	\$ 227,565.	\$ 505,334.	\$ 483,001.	\$ 358,649.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue										
Tax levy	\$ 1,938,401.	\$ 1,846,324.	\$ 1,958,077.	\$ 1,955,892.	\$ 1,980,951.	\$ 2,101,496.	\$ 2,208,258.	\$ 2,174,400.	\$ 2,214,813.	\$ 2,308,320.
Tuition charges	13,200.	16,773.	12,785.	5,808.	22,436.	45,680.	2,882.	61,684.	24,241.	9,629.
Interest earnings	72,896.	98,067.	64,793.	13,759.	26,748.	34,921.	34,376.	20,077.	11,781.	10,903.
Miscellaneous	43,522.	37,453.	82,761.	34,571.	36,509.	50,613.	39,336.	196,430.	10,991.	19,812.
State sources	4,922,168.	5,139,872.	5,516,139.	6,156,755.	5,109,472.	8,970,176.	7,155,397.	7,465,355.	7,036,875.	7,088,908.
Federal sources	741,633.	941,913.	645,177.	794,579.	1,720,715.	552,825.	648,612.	498,622.	463,940.	476,626.
Total Revenue	7,731,820.	8,080,402.	8,279,732.	8,961,364.	8,896,831.	11,755,711.	10,088,861.	10,416,568.	9,762,641.	9,914,198.
Expenditures										
Instruction:										
Regular instruction	2,160,593.	2,288,834.	2,131,441.	2,281,794.	2,011,057.	2,306,653.	2,179,652.	2,137,101.	2,419,526.	2,355,927.
Special education instruction	325,146.	342,037.	394,081.	379,616.	1,126,569.	920,835.	830,715.	745,473.	673,628.	638,157.
Other special instruction	87,033.	33,632.	141,235.	217,338.	180,977.	274,664.	190,636.	172,115.	100,026.	263,007.
School sponsored/other instruction	28,704.	31,237.	29,847.	29,255.	38,479.	43,572.	39,749.	50,948.	58,426.	55,654.
Support services:										
Tuition	1,506,408.	1,341,238.	1,510,000.	2,057,425.	1,684,045.	1,741,322.	2,065,829.	2,049,782.	2,181,410.	2,387,209.
Student & instruction related services	689,751.	742,730.	728,580.	391,387.	381,057.	368,331.	439,958.	476,349.	555,285.	556,559.
General administration	357,949.	359,577.	349,897.	225,662.	235,670.	196,891.	179,522.	153,655.	155,361.	155,746.
School administration services	168,411.	169,297.	162,340.	150,669.	146,007.	159,334.	171,599.	176,652.	149,716.	167,076.
Central Services				150,455.	167,827.	174,753.	180,175.	176,048.	182,066.	186,109.
Plant operations and maintenance	438,967.	460,672.	648,269.	476,599.	477,838.	531,960.	513,048.	458,124.	464,819.	462,183.
Pupil transportation	502,932.	516,260.	590,887.	685,201.	702,602.	684,342.	730,316.	724,617.	683,056.	652,393.
Employee benefits	984,372.	1,271,722.	1,289,281.	1,227,389.	1,348,621.	1,397,768.	1,544,495.	1,736,503.	1,511,958.	1,691,216.
Capital outlay	75,924.	60,267.	8,648.	157,887.	565,973.	4,306,859.	737,109.	315,623.	507,573.	97,094.
Debt service:										
Principal	110,000.	110,000.	176,409.	152,657.	140,000.	140,000.	265,000.	265,000.	285,000.	290,000.
Interest and other charges	120,135.	114,800.	71,293.	86,956.	81,756.	154,774.	140,081.	131,600.	122,363.	112,519.
Total expenditures	7,556,325.	7,842,303.	8,232,208.	8,670,290.	9,288,478.	13,402,058.	10,207,884.	9,769,590.	10,050,213.	10,070,849.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess (deficiency) of revenues over (under) expenditures	\$ 175,495.	\$ 238,099.	\$ 47,524.	\$ 291,074.	\$ (391,647.)	\$ (1,646,347.)	\$ (119,023.)	\$ 646,978.	\$ (287,572.)	\$ (156,651.)
Other Financing Sources (Uses):										
Proceeds from sale of bonds	0.	0.	0.	0.	2,216,000.	0.	0.	0.	0.	0.
Excess proceeds from refunding bond	0.	0.	19,321.	0.	0.	0.	0.	0.	0.	0.
Transfers in	0.	75,000.	0.	0.	301,672.	32,000.	0.	0.	0.	135,000.
Transfers out	0.	0.	0.	0.	(301,672.)	(32,000.)	0.	0.	0.	(135,000.)
Total Other Financing sources (uses)	0.	75,000.	19,321.	0.	2,216,000.	0.	0.	0.	0.	0.
Net change in fund balance	\$ 175,495.	\$ 313,099.	\$ 66,845.	\$ 291,074.	\$ 1,824,353.	\$ (1,646,347.)	\$ (119,023.)	\$ 646,978.	\$ (287,572.)	\$ (156,651.)

	3.08%	2.89%	3.01%	2.81%	2.54%	3.24%	4.28%	4.20%	4.27%	4.04%
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Debt Service as a Percentage of Noncapital Expenditures

Source: District Records

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

Fiscal Year Ended June 30	Interest On Investments	Ref/Canc Prior Yr. Expend.	Tuition Adjustment	Misc.	E-Rate Adjustment	Township	Tuition	Settlement	Annual Totals
2006	\$ 72,896.	\$ 26,045.	\$ 0.	\$ 1,008.	\$ 16,469.	\$ 0.	\$ 13,200.	\$ 0.	\$ 129,618.
2007	98,067.	0.	0.	37,453.	0.	0.	16,773.	0.	152,293.
2008	64,793.	3,027.	6,686.	12,268.	8,379.	12,000.	12,785.	0.	119,938.
2009	13,759.	6,219.	3,941.	8,382.	16,029.	0.	5,808.	0.	54,138.
2010	26,748.	0.	0.	17,382.	12,241.	6,000.	22,436.	0.	84,807.
2011	2,921.	4,035.	0.	1,890.	17,616.	6,000.	45,680.	0.	78,142.
2012	34,376.	0.	0.	7,842.	21,533.	0.	2,882.	0.	66,633.
2013	20,077.	0.	2,459.	19,843.	10,100.	0.	61,684.	162,500.	276,663.
2014	11,781.	0.	0.	0.	9,426.	0.	24,241.	0.	45,448.
2015	10,903.	0.	0.	6,530.	9,908.	0.	9,629.	0.	36,970.

Source: District records

REVENUE CAPACITY

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

	Year Ended Dec. 31	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
Lawrence Township	2005	\$ 108,372,677.	\$ 132,046,836.	82.07%
	2006	111,311,813.	151,146,719.	73.64%
	2007	115,535,323.	183,693,066.	62.90%
	2008	117,779,054.	213,249,498.	55.23%
	2009	119,645,809.	231,679,673.	51.64%
	2010	224,917,461.	239,272,794.	94.00%
	2011	244,010,260.	240,502,479.	101.46%
	2012	244,744,305.	241,144,772.	101.49%
	2013	242,106,183.	235,892,153.	102.63%
	2014	240,197,557.	219,143,933.	109.61%

Source: Abstract of Ratables, County Board of Taxation

EXHIBIT J-7

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

Fiscal Year Ended June 30,	Lawrence Township School Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Township of Lawrence	Cumberland County	
2005	\$ 1.497	\$ 0.081	\$ 1.578	\$ 0.550	\$ 1.269	\$ 3.397
2006	1.632	0.069	1.701	0.571	1.411	3.683
2007	1.578	0.069	1.647	0.591	1.568	3.806
2008	1.596	0.066	1.662	0.631	1.720	4.013
2009	1.592	0.054	1.646	0.630	1.739	4.015
2010	0.812	0.022	0.834	0.310	0.894	2.038
2011	0.811	0.073	0.884	0.324	0.941	2.149
2012	0.078	0.114	0.896	0.344	0.938	2.178
2013	0.804	0.103	0.907	0.366	0.940	2.213
2014	0.863	0.110	0.973	0.411	0.986	2.370

Source: 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 calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable
- b Rates for debt service are based on each year's requirements

LAWRENCE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS.
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Ag-Mart	\$ 3,486,600.	1	1.45%			
SF System	3,145,000.	2	1.31%			
Bell Atlantic	1,014,932.	3	0.42%			
NJ Dept. of Environmental Project	972,300.	4	0.40%			
Taxpayer 1	919,600.	5	0.38%			
Taxpayer 2	743,300.	6	0.31%			
Taxpayer 3	653,500.	7	0.27%			
Nardelli Bros.	648,500.	8	0.27%			
Taxpayer 4	628,700.	9	0.26%			
						Information was Not Available
Total	\$ 12,212,432.		4.82%	\$ 0.		0.00%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levies For and Collections	Collected Within the Fiscal Year of the Levy (a)		Collection in Subsequent Year
		Amount	Percentage of Levy	
2006	\$ 1,938,401.	\$ 1,938,401.	100.00%	
2007	1,846,324.	1,846,324.	100.00%	
2008	1,902,201.	1,902,201.	100.00%	
2009	1,955,892.	1,955,892.	100.00%	
2010	1,980,951.	1,980,951.	100.00%	
2011	2,101,496.	2,101,496.	100.00%	
2012	2,208,258.	2,208,258.	100.00%	
2013	2,174,400.	2,174,400.	100.00%	
2014	2,214,813.	2,214,813.	100.00%	
2015	2,308,320.	2,308,320.	100.00%	

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

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

DEBT CAPACITY

LAWRENCE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2006	\$ 2,367,000.	\$ 0.	\$ 71,392.	\$ 0.	\$ 0.	\$ 2,438,392.	3.01%	\$ 848.	
2007	2,257,000.	0.	44,066.	0.	0.	2,301,066.	2.63%	782.	
2008	2,190,000.	0.	22,657.	0.	0.	2,212,657.	2.40%	744.	
2009	2,060,000.	0.	0.	0.	0.	2,060,000.	2.12%	690.	
2010	4,136,000.	0.	0.	0.	0.	4,136,000.	4.13%	1,382.	
2011	3,996,000.	0.	0.	0.	0.	3,996,000.	3.53%	1,214.	
2012	3,731,000.	0.	0.	0.	0.	3,731,000.	3.19%	1,129.	
2013	3,466,000.	0.	0.	0.	0.	3,466,000.	2.96%	1,048.	
2014	3,181,000.	0.	0.	0.	0.	3,181,000.	2.69%	965.	
2015	2,891,000.	0.	0.	0.	0.	2,891,000.	N/A	883.	

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 2,367,000.		\$ 2,367,000.	2.12%	\$ 823.
2007	2,257,000.		2,257,000.	1.95%	767.
2008	2,190,000.		2,190,000.	1.86%	749.
2009	2,060,000.		2,060,000.	1.72%	693.
2010	4,136,000.		4,136,000.	1.84%	1,386.
2011	3,996,000.		3,996,000.	1.64%	1,336.
2012	3,731,000.		3,731,000.	1.52%	1,134.
2013	3,466,000.		3,466,000.	1.43%	1,049.
2014	3,181,000.		3,181,000.	1.32%	962.
2015	2,891,000.		2,891,000.	N/A	877.

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14

LAWRENCE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Lawrence Township	\$ 1,164,526.	100.000%	\$ 1,164,526.
County of Cumberland - Township's Share	85,261,470.	2.454%	2,092,316.
Subtotal, Overlapping Debt			3,256,842.
Lawrence Township School District Direct Debt			2,891,000.
Total Direct & Overlapping Debt			\$ 6,147,842.

Sources: Assessed value data used to estimate applicable percentages provided by County Board of Taxation.
 Debt outstanding data provided by each government unit.

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 Lawrence Twp. 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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 3,842,736.	\$ 4,459,054.	\$ 5,268,248.	\$ 5,268,248.	\$ 6,665,846.	\$ 6,956,633.	\$ 7,095,134.	\$ 7,111,141.	\$ 6,910,235.	\$ 6,651,366.
Total Net Debt Applicable to Limit	2,367,000.	2,257,000.	2,190,000.	2,190,000.	4,136,000.	3,996,000.	3,731,000.	3,466,000.	3,181,000.	2,891,000.
Legal Debt Margin	\$ 1,475,736.	\$ 2,202,054.	\$ 3,078,248.	\$ 3,078,248.	\$ 2,529,846.	\$ 2,960,633.	\$ 3,364,134.	\$ 3,645,141.	\$ 3,729,235.	\$ 3,760,366.

Total Net Debt Applicable to the Limit
as a Percentage of Debt Limit

	61.60%	50.62%	41.57%	41.57%	62.05%	57.44%	52.59%	48.74%	46.03%	43.46%
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Legal Debt Margin Calculation for Fiscal Year 2014

Equalized Valuation Basis	
2014	\$ 211,523,388.
2013	218,105,649.
2012	235,507,597.
	\$ 665,136,634.

Average Equalized Valuation of Taxable Property

	221,712,211.
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Debt Limit (3 % of Average Equalization Value)
Total Net Debt Applicable to Limit
Legal Debt Margin

	6,651,366. (a)
	2,891,000.
	\$ 3,760,366.

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

(a) Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2005	2,859	\$ 80,984,673.	\$ 28,635.	4.80%
2006	2,923	87,374,316.	29,892.	6.10%
2007	2,973	92,365,164.	31,068.	5.50%
2008	2,984	97,364,936.	32,629.	6.70%
2009	2,992	100,067,440.	33,445.	11.60%
2010	3,291	113,207,109.	34,399.	12.40%
2011	3,305	117,039,965.	35,413.	14.20%
2012	3,306	117,257,208.	35,468.	15.90%
2013	3,298	118,150,850.	35,825.	13.50%
2014	3,273	N/A	N/A	12.20%

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income has been estimated based upon the municipal population and per capita personal income presented
- c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- d Unemployment data provided by the N.J. Dept. of Labor and Workforce Development

OPERATING INFORMATION

LAWRENCE TOWNSHIP BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	41.5	33.5	34.0	34.5	38.0	39.5	37.0	38.0	40.0	39.5
Special Education	13.5	11.5	11.0	15.5	17.0	15.7	10.0	8.0	7.0	8.0
Other Special Education	0.5									
Support Services:										
Student & Instruction Related Services			1.0	2.0	2.0	1.0	1.0	2.0	2.0	4.0
General administration	2.5	3.0	2.0	2.0	1.5	2.1	1.5	2.0	1.0	1.0
School administrative services	3.5	1.5	3.0	3.0	3.0	3.0	3.5	3.0	4.0	4.0
Other Administrative Services										
Central services	2.0	2.2	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations & Maintenance	3.0	5.7	5.7	5.7	5.7	4.0	5.7	5.7	5.7	5.7
Total	66.5	57.4	58.9	64.7	69.2	67.3	60.7	60.7	61.7	64.2

Source: District Personnel Records

LAWRENCE TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2006	479.0	7,250,266.	15,136.	12.02%	46.0	1:11	N/A	N/A	481.1	457.0	3.36%	94.57%
2007	465.0	7,557,236.	16,252.	6.87%	45.0	1:40	N/A	N/A	462.0	448.0	(0.32)%	95.03%
2008	452.0	7,997,267.	17,693.	8.87%	45.0	1:10	N/A	N/A	448.7	427.5	(3.95)%	96.97%
2009	472.0	8,272,790.	17,527.	(0.94)%	50.0	1:10	N/A	N/A	459.6	436.1	(2.88)%	95.28%
2010	453.0	8,531,275.	18,833.	7.45%	55.0	1:08	N/A	N/A	449.1	423.3	2.43%	94.89%
2011	436.0	8,500,749.	19,497.	3.53%	55.2	1:08	N/A	N/A	434.0	416.0	(2.28)%	94.26%
2012	466.0	9,065,694.	19,454.	(0.22)%	47.0	1:09	N/A	N/A	470.4	445.8	8.39%	94.77%
2013	504.0	9,057,367.	17,971.	(0.76)%	46.0	1:10	N/A	N/A	501.0	470.0	6.51%	93.81%
2014	510.0	9,135,277.	17,912.	(0.33)%	47.0	1:09	N/A	N/A	508.0	483.0	1.40%	95.08%
2015	499.0	9,571,236.	19,181.	7.08%	47.5	1:10	N/A	N/A	496.0	471.0	(2.36)%	94.96%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- 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 BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Elementary:</u>										
M.L. Powell Elementary (1885)	54,412	54,412	54,412	54,412	54,412	59,149	59,149	59,149	59,149	59,149
Square Feet	578	578	578	578	578	628	628	628	628	628
Capacity (Students)	479	479	452	472	453	436	466	504	510	499
Enrollment										

Number of Schools at June 30, 2014:

Elementary = 1

Middle School = 0

Senior High School = 0

Other = 0

Source: District Facilities Office

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

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

*School Facilities Project #(s)	Myron Powell School	Total
2006	\$ 56,526.	\$ 56,526.
2007	47,447.	47,447.
2008	38,413.	38,413.
2009	25,887.	25,887.
2010	45,677.	45,677.
2011	71,021.	71,021.
2012	72,874.	72,874.
2013	85,866.	85,866.
2014	21,890.	21,890.
2015	44,856.	44,856.
Total School Facilities	<u>\$ 510,457.</u>	<u>\$ 510,457.</u>

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Policy		
Property		
Blanket Building & Contents	\$11,497,018.	\$ 1,000.
Limited Water Damage	500,000.	1,000.
General Liability	3,000,000.	
Earthquake - Volcanic Eruption	1,000,000.	25,000.
Employee Benefits	1,000,000.	1,000.
Flood Coverage	1,015,000.	25,000.
Commercial Crime	Included	
Abuse or Molestation Liability	1,000,000.	
Inland Marine		
Computer	202,550.	500.
Miscellaneous Property	Included	
Valuable Papers & Records	100,000.	500.
Signs	30,000.	500.
Board of Education Liability	1,000,000.	7,500.
Commercial Excess Liability	1,000,000.	10,000.
Workers' Compensation and Employers Liability	2,000,000.	
Commercial Automobile	1,000,000.	13.
Fungus, Wet Rot, Dry Rot, and Bacteria	50,000.	
Limited Backup of Sewer or Drains Coverage (Not Flood Related)	1,000,000.	
Cybersurance - Privacy and Security Breach Coverage	250,000.	
Blanket Student Accident Liability	1,000,000.	
Voluntary Blanket Student Accident Liability	500,000.	
Catastrophic Student Accident	2,500,000.	25,000.
Surety Bonds:		
Business Administrator: Lisa DiNovi	180,000.	

Source: District Records

SINGLE AUDIT SECTION

K-1

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

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

We have audited, 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 Office of School Finance, Department of Education, State of New Jersey, 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 fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lawrence Township Board of Education's basic financial statements, and have issued our report thereon dated December 18, 2015.

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) to determine the 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 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 weakness 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 from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

December 18, 2015

K-2

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
NEW JERSEY OMB CIRCULAR 04-04

Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Lawrence Township Board of Education's major federal and state programs for the year ended June 30, 2015. Lawrence Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lawrence Township Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Lawrence Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Lawrence Township 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 each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, and the New Jersey State Aid/Grant Compliance Supplement, 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 Lawrence Township 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 a 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. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJ OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Samuel A. Delp, Jr.
Public School Accountant, #745
Triantos & Delp
Certified Public Accountants, LLC

December 18, 2015

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Bal.	Accounts Receivable	Deferred Revenue	Due to Grantor					
U.S. Department of Education Passed Through State Department of Education:																		
Special Revenue Fund:																		
84-010		NCLB-257015	\$ 243,729.	07/01/14 - 06/30/15	\$ 0.	\$ 10,000.	\$ 132,776.	\$ (253,729.)	\$ (10,000.)	\$ 0.	\$ (120,953.)	\$ 0.	\$ 0.					
84-010		NCLB-257014	241,919.	07/01/13 - 06/30/14	3,160.	(10,000.)	0.	(3,160.)	10,000.	0.	0.	0.	0.					
84-168		NCLB-257015	19,374.	07/01/14 - 06/30/15	0.	0.	11,136.	(19,374.)	0.	0.	(8,238.)	0.	0.					
84-027		FT-257015	166,696.	07/01/14 - 06/30/15	0.	0.	118,445.	(166,696.)	0.	0.	(48,251.)	0.	0.					
84-027		FT-257014	166,622.	07/01/13 - 06/30/14	(108,516.)	0.	108,516.	0.	0.	0.	0.	0.	0.					
84-176		I.D.E.A. - Preschool	4,283.	07/01/14 - 06/30/15	0.	0.	4,283.	(4,283.)	(20.)	0.	(20.)	0.	0.					
84-176		I.D.E.A. - Preschool	4,355.	07/01/13 - 06/30/14	(20.)	0.	0.	0.	20.	0.	0.	0.	0.					
84-358A		REAP	41,513.	07/01/14 - 09/30/15	0.	0.	0.	(29,384.)	0.	0.	(29,384.)	0.	0.					
Total Special Revenue Fund																		
U.S. Department of Agriculture Passed Through State Department of Education Enterprise Fund:																		
10-550		N/A	14,753.	7/1/14 - 6/30/15	0.	0.	14,753.	(10,716.)	0.	0.	0.	4,037.	0.					
10-550		N/A	18,258.	7/1/13 - 6/30/14	2,226.	0.	0.	(2,226.)	0.	0.	0.	0.	0.					
10-553		N/A	60,219.	7/1/14 - 6/30/15	0.	0.	56,567.	(60,219.)	0.	0.	(3,652.)	0.	0.					
10-553		N/A	69,037.	7/1/13 - 6/30/14	(12,809.)	0.	12,809.	0.	0.	0.	0.	0.	0.					
10-555		N/A	137,881.	7/1/14 - 6/30/15	0.	0.	126,692.	(137,881.)	0.	0.	(11,189.)	0.	0.					
10-555		N/A	143,504.	7/1/13 - 6/30/14	(30,574.)	0.	30,574.	0.	0.	0.	0.	0.	0.					
10-556		N/A	5,655.	7/1/14 - 6/30/15	0.	0.	5,138.	(5,655.)	0.	0.	(517.)	0.	0.					
10-556		N/A	5,038.	7/1/13 - 6/30/14	(1,418.)	0.	1,418.	0.	0.	0.	0.	0.	0.					
10-561		N/A	3,937.	7/1/13 - 6/30/14	(839.)	0.	839.	0.	0.	0.	0.	0.	0.					
Total Enterprise Fund																		
Total Federal Financial Awards																		
											\$ (148,790.)	\$ 623,946.	\$ (693,323.)	\$ 0.	\$ 0.	\$ (222,204.)	\$ 4,037.	\$ 0.

The Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an Integral Part of this Schedule.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period		Balance at June 30, 2014		Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances
			From	To	Deferred Revenue (Accts. Rec.)	Due to Grantor			
State Dept. of Education:									
General Fund:									
Equalization Aid	15-495-034-5120-078	\$ 5,065,576.	07/01/14	-	06/30/15	\$ 0.	\$ 5,065,576.	\$ (5,065,576.)	\$ 0.
School Choice Aid	15-495-034-5120-068	418,236.	07/01/14	-	06/30/15	0.	418,236.	(418,236.)	0.
Transportation Aid	15-495-034-5120-014	57,280.	07/01/14	-	06/30/15	0.	57,280.	(57,280.)	0.
Special Education Categorical Aid	15-495-034-5120-011	330,508.	07/01/14	-	06/30/15	0.	330,508.	(330,508.)	0.
Security Aid	15-495-034-5120-008	158,998.	07/01/14	-	06/30/15	0.	158,998.	(158,998.)	0.
Under Adequacy Aid	15-495-034-5120-096	3,746.	07/01/14	-	06/30/15	0.	3,746.	(3,746.)	0.
PARCC Readiness Aid	15-495-034-5120-098	5,780.	07/01/14	-	06/30/15	0.	5,780.	(5,780.)	0.
Per Pupil Growth Aid	15-495-034-5120-097	5,780.	07/01/14	-	06/30/15	0.	5,780.	(5,780.)	0.
Extraordinary aid	15-495-034-5120-044	21,477.	07/01/14	-	06/30/15	0.	0.	(21,477.)	0.
Extraordinary aid	14-495-034-5120-044	10,541.	07/01/13	-	06/30/14	(10,541.)	10,541.	0.	0.
On Behalf Reimbursed TPAF	14-495-034-5095-001	404,512.	07/01/14	-	06/30/15	0.	404,512.	(404,512.)	0.
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	230,561.	07/01/14	-	06/30/15	0.	219,414.	(230,561.)	0.
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	224,775.	07/01/13	-	06/30/14	(11,126.)	11,126.	0.	0.
Additional Non-Public Trans	15-495-034-5120	2,784.	07/01/14	-	06/30/15	0.	0.	(2,784.)	0.
Additional Non-Public Trans	14-495-034-5120	3,042.	07/01/13	-	06/30/14	(3,042.)	3,042.	0.	0.
Total General Fund						(24,709.)	6,694,539.	(6,705,238.)	0.
Special Revenue Fund:									
Preschool Education Aid	15-495-034-5120-025	290,370.	07/01/14	-	06/30/15	0.	290,370.	(267,907.)	0.
Preschool Education Aid	14-495-034-5120-025	396,839.	07/01/13	-	06/30/14	151,039.	0.	0.	0.
Total Special Revenue Fund						151,039.	290,370.	(267,907.)	0.
Debt Service Fund:									
Debt Service Aid Type II	15-495-034-5120-125	116,771.	07/01/14	-	06/30/15	0.	116,771.	(116,771.)	0.
Total Debt Service Fund						0.	116,771.	(116,771.)	0.
State Department of Agriculture:									
Enterprise Fund:									
National School Lunch Program (State Share)	15-100-010-3350-023	3,347.	07/01/14	-	06/30/15	0.	3,087.	(3,347.)	0.
National School Lunch Program (State Share)	14-100-010-3350-023	3,550.	07/01/13	-	06/30/14	(710.)	710.	0.	0.
Total Enterprise Fund						(710.)	3,797.	(3,347.)	0.
Total State Financial Assistance						\$ 125,620.	\$ 7,105,477.	\$ (7,093,263.)	\$ 0.

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period		Balance at June 30, 2015			MEMO	
			From	To	(Accounts Receivable)	Def. Rev./ Interfund Pay	Due to Grantor	Budgetary Receivable	Cumulative Total Expend.
State Dept. of Education:									
General Fund:									
Equalization Aid	15-495-034-5120-078	\$ 5,065,576.	07/01/14 -	06/30/15	\$ 0.	\$ 0.	\$ 0.	\$ 458,844.	\$ 5,065,576.
School Choice Aid	15-495-034-5120-068	418,236.	07/01/14 -	06/30/15	0.	0.	0.	41,824.	418,236.
Transportation Aid	15-495-034-5120-014	57,280.	07/01/14 -	06/30/15	0.	0.	0.	5,728.	57,280.
Special Education Categorical Aid	15-495-034-5120-011	330,508.	07/01/14 -	06/30/15	0.	0.	0.	33,051.	330,508.
Security Aid	15-495-034-5120-008	158,998.	07/01/14 -	06/30/15	0.	0.	0.	15,900.	158,998.
Under Adequacy Aid	15-495-034-5120-096	3,746.	07/01/14 -	06/30/15	0.	0.	0.	375.	3,746.
PARCC Readiness Aid	15-495-034-5120-098	5,780.	07/01/14 -	06/30/15	0.	0.	0.	578.	5,780.
Per Pupil Growth Aid	15-495-034-5120-097	5,780.	07/01/14 -	06/30/15	0.	0.	0.	578.	5,780.
Extraordinary aid	15-495-034-5120-044	21,477.	07/01/14 -	06/30/15	(21,477.)	0.	0.	0.	21,477.
Extraordinary aid	14-495-034-5120-044	10,541.	07/01/13 -	06/30/14	0.	0.	0.	0.	0.
On Behalf Reimbursed TPAF	14-495-034-5095-001	404,512.	07/01/14 -	06/30/15	0.	0.	0.	0.	404,512.
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	230,561.	07/01/14 -	06/30/15	(11,147.)	0.	0.	0.	230,561.
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	224,775.	07/01/13 -	06/30/14	0.	0.	0.	0.	224,775.
Additional Non-Public Trans	15-495-034-5120	2,784.	07/01/14 -	06/30/15	(2,784.)	0.	0.	0.	2,784.
Additional Non-Public Trans	14-495-034-5120	3,042.	07/01/13 -	06/30/14	0.	0.	0.	0.	3,042.
Total General Fund					(35,408.)	0.	0.	556,877.	6,705,238.
Special Revenue Fund:									
Preschool Education Aid	15-495-034-5120-025	290,370.	07/01/14 -	06/30/15	0.	173,502.	0.	29,037.	267,907.
Preschool Education Aid	14-495-034-5120-025	396,839.	07/01/13 -	06/30/14	0.	0.	0.	0.	396,839.
Total Special Revenue Fund					0.	173,502.	0.	29,037.	267,907.
Debt Service Fund:									
Debt Service Aid Type II	15-495-034-5120-125	116,771.	07/01/14 -	06/30/15	0.	0.	0.	0.	116,771.
Total Debt Service Fund					0.	0.	0.	0.	116,771.
State Department of Agriculture:									
Enterprise Fund:									
National School Lunch Program (State Share)	15-100-010-3350-023	3,347.	07/01/14 -	06/30/15	(260.)	0.	0.	0.	3,347.
National School Lunch Program (State Share)	14-100-010-3350-023	3,550.	07/01/13 -	06/30/14	0.	0.	0.	0.	3,550.
Total Enterprise Fund					(260.)	0.	0.	0.	3,347.
Total State Financial Assistance					\$ (35,668.)	\$ 173,502.	\$ 0.	\$ 585,914.	\$ 7,093,263.

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

Lawrence Township School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2015

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 schedule 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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, revenues is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-4.2. For GAAP purposes, that payments are recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognized encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid 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 \$(11,655) for the general fund and \$10,647 for the special revenue fund. See Exhibit C-3 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 follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0.	\$6,693,583.	\$6,693,583.
Special Revenue Fund	476,626.	278,554.	755,180.
Debt Service Fund	0.	116,771.	116,771.
Food Service Fund	218,508.	3,347.	221,855.
Total Financial Assistance	<u>\$ 695,134.</u>	<u>\$7,092,255.</u>	<u>\$7,787,389.</u>

Lawrence Township School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2015

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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 represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 No
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to general purpose financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- 1. Material weakness(es) identified? Yes No
- 2. Significant Deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of auditor’s report issued: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	I.D.E.A. Part B, Basic
84.176	I.D.E.A. Part B, Preschool
84.358A	REAP

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.

Auditee qualified as low risk auditee? Yes No

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

Section I – Summary of Auditor’s Results

(Continued)

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000.

Auditee qualified as low risk auditee?

Yes No

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

Unmodified

Internal Control over major programs:

1. Material weakness(es) identified?

Yes No

2. Significant Deficiencies identified that are not considered to be material weaknesses?

Yes None reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?

Yes No

Identification of major programs:

GMIS Number(s)

Name of State Prog

495-034-5120-078

Equalization Aid

495-034-5120-011

Special Education Aid

495-034-5120-068

School Choice Aid

495-034-5120-008

Security Aid

495-034-5120-096

Under Adequacy Aid

495-034-5120-098

PARCC Readiness Aid

495-034-5120-097

Per Pupil Growth Aid

Section II – Financial Statement Findings

N/A – No Findings

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

Federal Awards

N/A – No Findings

State Awards

N/A – No Findings

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
STATUS OF PRIOR YEAR FINDINGS

N/A – No Prior Year Findings