

SCHOOL DISTRICT
OF
LAWRENCE TOWNSHIP



LAWRENCE TOWNSHIP BOARD OF EDUCATION
LAWRENCE TOWNSHIP, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

LAWRENCE TOWNSHIP BOARD OF EDUCATION

LAWRENCE TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

PREPARED BY

**LAWRENCE TOWNSHIP BOARD OF EDUCATION
FINANCE DEPARTMENT**

LAWRENCE TOWNSHIP SCHOOL DISTRICT

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INTRODUCTORY SECTION

Lawrence Township Board of Education
2565 Princeton Pike
Lawrenceville, NJ 08648

November 8, 2010

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Lawrence Township School District for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the general purpose financial statements and schedules, The Management Discussion and Analysis Letter, as well as the auditor's report. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. office of Management and Budget Circular A-133, "Audits of State and Local Governments," 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 auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

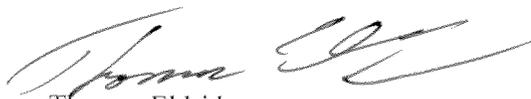
The Comprehensive Annual Financial Report summarizes the financial activity of the district as a financial reporting entity. The primary purpose of the reporting entity is to provide a full range of educational services appropriate to grade levels Pre-K through 12 including both special and regular educational programs. The budget, upon which audit is based, is primarily driven by Board Goals, No Child Left Behind, New Jersey Core Content Curriculum Standards and student enrollment as well as a myriad of other compliance requirements complementing educational mandates. The Comprehensive Annual Financial Report reflects the health of the school district's finances from the perspective of financial accounting and financial compliance, and does not reflect, or give an opinion as to the educational efficacy of a program.

While presented in four sections, this document is intended to be read as a whole. A narrative on the status of the major funds within the school district's budget is included within the Management Discussion and Analysis section of this report.

Respectfully submitted,



Philip Meara
 Superintendent



Thomas Eldridge
 Business Administrator/Board Secretary

Lawrence Township School District
Lawrence Township, New Jersey
Roster of Officials
June 30, 2010

Board Member	Position	Date of Election	Term Commencement	Term Expires
Laura Waters	President	April 20, 2010	April 28, 2010	April 2013
Leon Kaplan	Vice President	April 20, 2010	April 28, 2010	April 2013
Ginny Bigley	Board member	April 15, 2008	April 30, 2008	April 2011
W. Michael Brindle	Board member	April 21, 2009	April 29, 2009	April 2012
Deborah Endo	Board member	April 15, 2008	April 30, 2008	April 2011
David Donahue	Board member	April 20, 2010	April 28, 2010	April 2013
William Michaelson	Board member	April 15, 2008	April 30, 2008	April 2011
Thomas Patrick	Board member	April 21, 2009	April 29, 2009	April 2012
Robert Brackett	Board member	April 21, 2009	April 29, 2009	April 2012
Administration				
Philip J. Meara	Superintendent		August 12, 2009	June 30, 2013
Thomas Eldridge	Board Secretary		July 1, 2009	June 30, 2010
Richard Krawczun	Treasurer		July 1, 2009	June 30, 2010
David Carroll	Attorney		July 1, 2009	June 30, 2010

President appointed April 28, 2010

Vice President appointed April 28, 2010

Attorney appointed April 28, 2010

Robert A. Hulsart & Company, Auditor appointed April 28, 2010

Total votes at annual election:

2005	3,295
2006	1,568
2007	1,505
2008	1,927
2009	1,131
2010	3,217

REGULAR MEETING SCHEDULE 2010/2011					
May	12,	2010	November	10,	2010
June	9,	2010	December	15,	2010
July	14,	2010	January	12,	2011
August	11,	2010	February	9,	2011
September	15,	2010	March	9,	2011
October	13,	2010	April	13,	2011
All meetings shall begin at 7:00 p.m. and be held at the Lawrence High School Library, unless otherwise noted.					

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

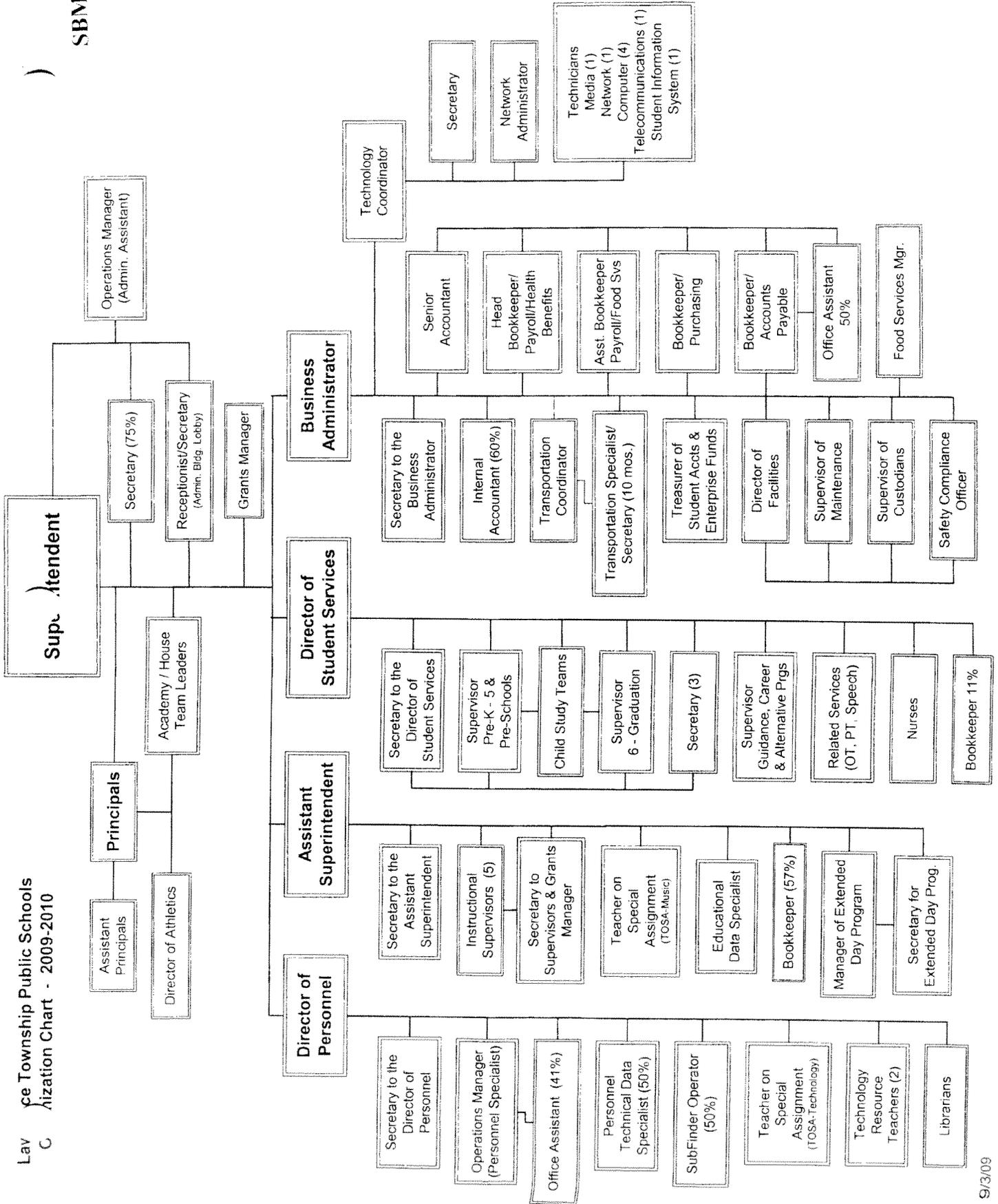
Parker, McCay & Criscuolo, P.A.
1009 Lenox Drive
Building 4 East, Suite 102A
Lawrenceville, New Jersey 08648

Official Depositories

Wachovia Bank, N.A.

Bank of America

MBIA



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lawrence Township Board of Education's management. 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: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Lawrence Township Board of Education, in the County of Mercer, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2010, on our consideration of the Lawrence Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 7 through 17 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, 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 schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 8, 2010

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

LAWRENCE TOWNSHIP PUBLIC SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The discussion and analysis of Lawrence Township Public School District's financial performance provides a review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to review and explain the School District's financial performance for the major fund categories. The MD&A should be read in conjunction with the Comprehensive Annual Financial Report(the audit). For information about the deployment of resources relative to the instructional program, the reader is referred to the district's Official Budget and related information available in the Board Secretary's office located at the Administration Building, 2565 Princeton Pike, Lawrenceville, NJ 08648, or at the district's website at www.ltps.org.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Lawrence Township Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Lawrence Township Public School District, the General Fund is the most significant fund, with the Special Revenue Fund, Capital Project's Fund, and Debt Service Fund also having significance.

The most financially instructive schedule in the CAFR, closely related to the district's official budget statement, is the Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual. These schedules (Exhibits C-1 & C-2) reflect most closely the district's Board Secretary's Reports and budget submitted to the State of New Jersey.

The purpose of Exhibits C-1 & C-2 are to provide the reader with comparative numbers concerning budgeted appropriations and expenditures and actual appropriations and expenditures. The reader, however, should be cautioned to refer to "Note 11" when analyzing the last section of the "C" schedules concerning Fund Balance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding the Management Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on Exhibit B-1. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in Governmental Funds. Governmental Fund reports focus on the flow of money into and out of these funds and the remaining balances left at year-end available for use in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The school district meets its obligation to provide a thorough and efficient public education through funding accounted for in its governmental funds. The majority of all governmental funds expended by the Lawrence Township Board of Education are raised through tax levy (ad valorem taxes).

The Governmental Fund statements provide a detailed short-term view of the School District's general operations and the basic services. Included in the Comprehensive Annual Financial Report are the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances which includes information to assist in comparing budgeted to actual expenditures. The Statistical Section of the Comprehensive Annual Financial Report provides information necessary for the reader wishing to compare expenditures across budget years for the programs listed. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. Enterprise funds, however, are subject to greater volatility due to uncertain revenue streams.

Financial Highlights

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

Key Financial highlights for the reporting year for the General Operating Fund are as follows:

The Economic Climate:

The economic climate of the nation, state, county, municipality and private industry is also influencing the operations of the Lawrence Township Public Schools and the students the schools serve. Below are listed some of the key obstacles encountered during the 2009/2010 school year. These issues are anticipated to remain influential throughout the next several school years.

- 11% increase in students eligible for free and reduced lunch

This number is derived from applications received annually during the month of September and on an “as delivered” basis thereafter. Eligibility is based on gross pay and the number of residents in a household.

- Cost of living has decreased **-.5%** from August 2008 to August 2010
The Consumer Price Index over a two year period from August 2008 through August 2010 decreased by ½ of 1%. This means that a dollar spent in August of 2010 purchases more goods and services than a dollar would in August 2008. While this fact is material in a broader measure, the cost of operating the school district did not fall. The cost drivers, particularly health benefits and pension costs continued to increase despite decreasing costs found throughout the economy.
- NJ unemployment rate at 9.6%
Unemployment continued to weigh heavily on the district’s overall health. Unemployment affects the district constituency’s ability to pay for education. The administration and Board of Education was particularly sensitive to its residents and maintained flat and decreasing spending plans.
- 3% decrease in taxable property value in Lawrence Twp. = **Loss of \$1,800,000** in tax revenue at current school tax rate
Due to challenges by taxpayers to the Lawrence Township Tax Assessor, the total assessed value of taxable property in Lawrence Township decreased. This means that a given rate (percentage) charged against the total taxable value of property will yield fewer dollars collected in support of the school system. The result of this dynamic has been increasing tax rates.
- Unprecedented cuts in State Aid
The Lawrence Township Public Schools has suffered an unprecedented cut in state funding. The history of the loss in funding is outlined below. In response to the loss in funding, the school district reduced its budget.
 - **Loss of \$3,463,211 in 2010/2011**
 - **Loss of \$1,488,000 in 2009/2010**
 - **Loss of \$236,545 in 2008/2009**

Revenues:

Total actual revenues for the General Operating Fund for the 2009/2010 School are outlined below in the district’s audited revenue history. The 2009/2010 school year revenues were unique in that the district strategically budgeted \$2,700,852 from Fund Balance (Surplus) into its Capital Reserve Fund. This deposit is reported a revenue and has an offsetting appropriation in the budget. This amount was intended to be returned to the taxpayers in subsequent years as “tax relief” in the Repayment of Debt Fund. \$1,000,000 of this deposit has been used in 2010/2011 as tax relief. Please see the audit for details concerning the district’s Capital Reserve. The most significant revenue occurrence during 2009/2010 was the loss of State Aid. Overall, the district lost \$1,488,000 in state aid (budget to actual). This was a significant mid-year occurrence requiring a budget “freeze.” Details of budget variances may be found in “Exhibit C 1”.

School Year	Actual 02/03	Actual 03/04	Actual 04/05	Actual 05/06	Actual 06/07	Actual 07/08	Actual 08/09	Actual 09/10
Local Revenue	43,486,300	46,359,392	50,571,216	56,224,844	57,407,844	59,444,142	60,359,881	62,433,603
State Aid	4,254,159	4,863,255	5,571,676	5,421,070	5,383,812	4,791,039	4,983,811	3,746,291
Total Revenue	\$ 47,740,459	\$ 51,222,647	\$ 56,142,892	\$ 61,645,914	\$ 62,791,656	\$ 64,235,181	\$ 65,343,692	\$ 66,179,894
Local Revenue	91%	91%	90%	91%	91%	93%	92%	94%
State Aid	9%	9%	10%	9%	9%	7%	8%	6%

Expenditures:

For the reader's consumption, the total expenditures for the school year ended June 30, 2010 of \$64,583,076 are presented below in two different formats for comparative purposes. The "Budget by Program" table conforms to the typical reporting requirements of the State of New Jersey. In addition to the required tables, the district also provides the "Budget by Object" table. The first table classifies expenditures in accordance with what program the expenditures support. The second table answers the question of "What object was purchased with the resources?"

The final "Available Balance and variance for budget purposes may be found in "Exhibit C 1".

BUDGET BY PROGRAM	ACTUAL 08/09	ACTUAL 09/10	BUDGET 10/11
Regular Instruction	22,943,379	22,955,067	22,571,931
Special Education:	5,207,882	5,694,420	5,650,186
Tuition	1,732,886	1,733,528	1,390,092
Administration	4,734,082	4,433,608	4,257,948
Support Services:	7,317,531	7,697,228	7,627,132
Security:		342,471	376,508
Maint./Utilities:	6,444,722	5,758,797	5,966,680
Employee Benefits:	9,322,546	10,480,228	11,071,861
Transportation:	2,749,294	2,493,137	2,637,823
Capital Outlay:	840,539	83,091	3,007,281
Capital Reserve	800,000	2,911,500	500,000
Emergency Reserve	-	-	-
Maintenance Reserve	-	-	-
Total Budget by Program	62,092,860	64,583,076	65,057,442

BUDGET BY OBJECT	ACTUAL 08/09	ACTUAL 09/10	BUDGET 10/11
Salaries/Wages	39,260,138	40,667,924	39,518,657
Substitutes	696,057	732,953	730,000
Employee Benefits:	9,322,546	10,480,228	11,071,861
Professional Ed. Services	733,390	746,653	798,233
Maintenance & Rental Srves.	1,136,857	909,814	865,420
Utilities: Gas, Electric	1,617,576	1,279,126	1,675,000
Transportation Contracts	2,458,349	2,168,676	2,315,661
Tuition (Out of District)	1,732,886	1,733,528	1,390,092
Travel/Registrations (PD)	70,257	77,516	90,621
Non-Professional Services	496,368	446,641	506,828
Supplies/Textbooks	2,779,422	2,219,090	2,435,016
Miscellaneous	148,476	126,337	152,772
Capital Outlay/Construction	840,539	83,091	3,007,281
Capital Reserve	800,000	2,911,500	500,000
Emergency Reserve	-	-	-
Maintenance Reserve	-	-	-
Total Budget by Objects	62,092,860	64,583,076	65,057,442

Fund Balance (Surplus):General Operating Fund

The variances in the Revenues and Expenditures sections of the CAFR are combined at the year end closing into the district's fund balance(surplus) to determine the new level of fund balance. During the 2008/2009 school year the district carried a fund balance of \$2,782,925, down from the prior year of \$3,357,148. During the 2009/2010 School Year the district carried a fund balance of \$2,855,092. When combined with the variances above: excess revenue of \$402,369 and unexpended appropriations of \$1,130,542, less a June 2010 contribution to Capital Reserve of \$200,000, the surplus at year ending June 30, 2010 is \$4,233,302. From this amount \$2,060,299, \$1,578,299 will be used to offset local tax levy in the operating budget and \$482,000 will be deposited into Capital Reserve for future projects and to reduce tax levy in the Repayment of Debt Fund. The total un appropriated fund balance beginning 2010/2011 shall be \$2,173,003; a decrease from the previous year's balance of \$2,855,092.

Maintaining a surplus was a critical achievement for the district. The surplus generated in the audited year was achieved in savings from fewer out of district special education placements, savings in health benefits, and savings in transportation costs.

Practical Application:

2010/2011 General Fund Budget:	\$65,057,442
Surplus	\$2,173,003
Surplus as a percent of budget = 3%	

How can this be interpreted?

Relative to personal finance: Example

2010/2011 projected income	\$65,057
Savings	\$1,951
Savings as a percent of income = 3%	

Source: Note 11

Key Financial highlights for the past fiscal year for the Debt Service Fund are as follows:

Debt Administration

At June 30, 2010, the School District had \$43,405,000 in outstanding net bonded debt. Net bonded debt includes only the principal portion of outstanding long term bonded debt. The following issues remain open until their respective maturity dates:

Referendum	Balance Remaining	Maturity
Technology	\$1,113,000.00	2013
Early Retirement	\$1,180,000.00	2016
Windows, Roofs, Asbestos	\$7,220,000.00	2017
Alterations and Additions	\$22,739,000.00*	2023
Photovoltaic Installation	\$10,453,000.00*	2028

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

Capital Projects Fund

During the 2009/2010 school year the district closed all outstanding capital projects accounts except the Photovoltaic Budget. The Board of Education elected to expand the project with the use of unexpended bond proceeds. The purpose of this decision was to pursue the reduction of long term energy costs.

The main body of the Photovoltaic Installation (Solar Project) was completed as designed at all seven schools within the district. This project received 40% funding in the form of Debt Service Aid. In addition to reducing the district electric bills through the process of “net metering” the district also anticipates generating revenue through the sale of Renewable Energy Credits.

Business-Type Activities

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

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

As reported in Exhibit B-5, the District's business-type activities were comprised of charges for services and federal and state reimbursements. Revenue of Business Type activities directly offsets the need to raise property taxes. The reader of this section of the audit (Exhibit B-5) should be careful to note that while the audit contains a line for "Operating Income (Loss)", it does not contain a line for "Budgeted Fund Balance" which, in all cases for Lawrence Township Public Schools, offsets any loss.

The most reliable method of reading Exhibit B is to focus on the bottom line, Net Assets.
Source: Audit Exhibit B-5

Governmental Activities

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

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

Initiatives for Budget Savings:

Shared Services and Cooperative Relationships-

In addition to new initiatives, the School District practices measures to contain costs throughout all spectrums of services currently rendered.

The district participates in a joint purchasing agreement with over 200 New Jersey School districts for supplies and minor construction services. The use of cooperative pricing systems has greatly increased

over the past two years and now includes: Mercer County Cooperative Pricing System, Middlesex Regional Educational Services Commission Cooperative Pricing System, Morris County Educational Services Cooperative Pricing System, Mercer County Special Services School District Cooperative Pricing System, The State of New Jersey's cooperative pricing system, "State Contract". The district also participates in separate state-wide consortiums for the purchase of electricity, natural gas, and long distance telephone. Locally, the district participates in transportation consortiums organized by Mercer County Coordinated Transportation Services. Transportation ventures are also undertaken between LTPS and other school districts through direct contracting. In addition to joint and cooperative purchasing initiatives, the district uses the internet to solicit quotes from vendors across the nation to achieve the best prices for items not purchased through its consortiums.

The Lawrence Township Public Schools has become a leader of shared services within Mercer County. For three years, in conjunction with Hopewell Township Schools, LTPS has organized districts from Mercer, Hunterdon, and Burlington counties for mandatory safety training for its non-certified custodial and maintenance staff. The district leads an effort that trains over 400 people on an annual basis. The district continues to meet with various school districts and county government personnel concerning shared technology systems, expertise, and personnel. The district's shared services endeavors are being extended to include telephone systems maintenance with regional governmental entities and corporate interests. Finally, the district now meets routinely in forums with Mercer County and their Shared Services Coordinator for the purpose of identifying opportunities to share expertise and save taxpayer dollars.

Finally, the school district has a long standing relationship of shared services with the local municipal government. The local municipality and school district assist one another to provide the residents of Lawrence Township with services that make Lawrence Township unique. The district maintains the indoor pool at Lawrence High School and the municipal government staff the facilities with life guards for after school hours use by the community. The District also houses both the adult "Night Programs" and the "Summer Programs" operated by the Township's Recreation Department. Throughout the year, the District also provides facilities to the residents of Lawrence Township for special community wide functions.

Until the year ending June 30, 2010, the Township provided the District with School Resource Officers (SRO). The SRO's were uniformed police officers that specialized in juvenile issues. These officers assisted students and the school district by developing relationships with students and staff for the purpose of developing community. The relationships developed by the SRO's were essential in preempting problems. The Lawrence Township Police Department continues to be an exceptional presence in our schools despite the loss of the SRO's. The LTPD assists with each of our schools safety drills that occur multiple times in each building during the school year. Additionally the LTPD and LTBOE meet annually to formally review the official relationship between the two organizations. This renewed relationship is documented in a treatise named the "Memorandum of Understanding".

The district's Facilities Department and municipality's Public Works Department work closely with one another throughout the school year. The two units share both equipment and resources. The PWD provides the district with salt during snow storms while the district plows its own lots. Both organizations shall grounds maintenance tools.

Grants and Cooperative Relationships-

In addition to the mercenary concerns of the district, the district also endeavors to cooperate with partners for the sharing of expertise in all areas of education. Lawrence Township Public Schools has partnerships with Rider University, The College of New Jersey, Educational Testing Services, Carolina Biological, All

Mercer County School Districts, DuPont, Clemson University, Princeton University, Bristol Meyers Squibb, Eggerts Crossing Village, and the Lawrence Neighborhood Service Center.

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

Specific to the 2009/2010 school year, the Lawrence Township Public Schools has received a \$1.4 million grant entitled "Teaching and Learning with Essential New Technologies in the 21st Century (Talent21)" from the New Jersey Department of Education, funded by the American Recovery and Reinvestment Act.

Beginning in June 2010 and extending over a two-year period, the grant will help to establish 21st century learning environments in grades six and seven that blend physical and digital infrastructures to seamlessly support learning. Students will experience a 1:1 mobile device, more technology access during and after school, use of Web Tools 2.0, and online collaboration.

About one-fourth of the grant is dedicated to professional development for teachers to train them on making the best use of the devices and integrating them into the curriculum.

These two large grant sources are supplemented throughout the year with various competitive grants received because of the work of staff members that seize upon grant opportunities that fit within the district's strategic plan.

Enterprise Funds-

In addition to grants and shared services the district continued its successful operation of enterprise funds. Enterprise funds are fee based businesses operated by the district to serve express purposes. While the enterprise funds are not allowed to exist to make a profit, they can assist in paying for overhead costs that serve their purpose as well as those costs typically funded by the district during normal operations. Currently the district operates the following enterprise funds: Extended Day Program, Cafeteria Program, Educational Technology and Training Center, Professional Development Academy, Reading Recovery Training Center, Driver's Education, Building Use Program. At the conclusion of the 2009/2010 school year, the district ceased to operate the Extended Day program and instead leased the space for a fee to an outside organization. The revenue from the lease will be used to offset local property taxes.

Internal Controls:

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

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

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

Budgetary Controls:

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

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

Accounting Systems & Reports:

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

Cash Management:

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

Risk Management:

The Board carries various forms of insurance, including but not limited to, general liability; automobile liability and comprehensive/collision; hazard and theft insurance on property and contents; and fidelity bonds. The Insurance schedule for the fiscal year is prepared by G.R. Murray Insurance, Division of O'Gorman & Young Inc., Princeton, NJ. The insurance schedule for the reportable year is listed in the Statistical Section of the CAFR.

Independent Audit:

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

LAWRENCE TOWNSHIP SCHOOL DISTRICT**STATEMENT OF NET ASSETS**

Exhibit A-1

JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 535,915	538,782	1,074,697
Receivables, Net	1,862,583	22,962	1,885,545
Inventory		26,122	26,122
Restricted Assets:			
Cash and Cash Equivalents	7,087,727		7,087,727
Capital Reserve Account - Cash	4,785,938		4,785,938
Capital Assets, Net	<u>141,265,105</u>	<u>385,909</u>	<u>141,651,014</u>
Total Assets	<u>155,537,268</u>	<u>973,775</u>	<u>156,511,043</u>
<u>Liabilities</u>			
Accounts Payable	322,238	19,975	342,213
Accrued Interest	668,650		
Deferred Revenue	1,252,052		1,252,052
Noncurrent Liabilities:			
Due Within One Year	2,880,000		2,880,000
Due Beyond One Year	42,320,155		42,320,155
Total Liabilities	<u>47,443,095</u>	<u>19,975</u>	<u>46,794,420</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	97,860,105	385,909	98,246,014
Restricted For:			
Debt Service	5,169		5,169
Special Revenue	1,535		1,535
Capital Projects	2,632,277		2,632,277
Other Purposes	8,944,531		8,944,531
Unrestricted	<u>(1,348,744)</u>	<u>567,891</u>	<u>(780,853)</u>
Total Net Assets	<u>\$ 108,094,873</u>	<u>953,800</u>	<u>109,048,673</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>	Expenses					
Governmental Activities:						
Instruction:						
Regular	\$19,167,846			(19,167,846)		(19,167,846)
Special Education	6,772,301	1,584,508		(5,187,793)		(5,187,793)
Other Special Instruction	1,987,744			(1,987,744)		(1,987,744)
Other Instruction	1,142,544			(1,142,544)		(1,142,544)
Support Services:						
Tuition	1,733,529			(1,733,529)		(1,733,529)
Student & Instruction Related Services	9,950,046	902,372		(9,047,674)		(9,047,674)
School Administrative Services	584,913			(584,913)		(584,913)
General and Business Administrative Services	3,848,697			-		-
Plant Operations and Maintenance	6,101,268			(3,848,697)		(3,848,697)
Pupil Transportation	2,493,136			(6,101,268)		(6,101,268)
Business and Other Support Services	14,928,236			(2,493,136)		(2,493,136)
Interest on Long-Term Debt	1,853,767			(14,928,236)		(14,928,236)
Unallocated Depreciation	2,842,777			(1,853,767)		(1,853,767)
Total Government Activities	73,406,804	2,486,880	-	(2,842,777)		(2,842,777)
				(70,919,924)	-	(70,919,924)
Business-Type Activities:						
Proprietary Funds	1,715,265	371,769			157,205	157,205
Total Business-Type Activities	1,715,265	371,769	-	-	157,205	157,205
Total Primary Government	75,122,069	2,858,649	-	(70,919,924)	157,205	(70,762,719)

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				57,936,065		57,936,065
Taxes Levied for Debt Service				1,609,547		1,609,547
Federal and State Aid Not Restricted				8,993,864		8,993,864
Tuition Received				189,186		189,186
Miscellaneous Income				980,961		980,961
Total General Revenues, Special Items, Extraordinary Items and Transfers				69,709,623	-	69,709,623
Change in Net Assets				(1,210,301)	157,205	(1,053,096)
Net Assets - Beginning				109,305,174	796,595	110,101,769
Net Assets - Ending				108,094,873	953,800	109,048,673

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET**GOVERNMENTAL FUNDS****JUNE 30, 2010**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 9,474,303	298,531	2,633,442	4,004	12,410,280
Receivables, Net	385,289	1,477,294			1,862,583
Interfund Receivable	200,000			1,165	201,165
Total Assets	<u>\$10,059,592</u>	<u>1,775,825</u>	<u>2,633,442</u>	<u>5,169</u>	<u>14,474,028</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts Payable		322,238			322,238
Interfund Payable		200,000	1,165		201,165
Deferred Revenue		1,252,052			1,252,052
Total Liabilities	<u>-</u>	<u>1,774,290</u>	<u>1,165</u>	<u>-</u>	<u>1,775,455</u>
Fund Balance:					
Reserved for:					
Excess Surplus	686,596				686,596
Encumbrances	811,698		262,460		1,074,158
Maintenance Reserve	400,000				400,000
Emergency Reserve	200,000				200,000
Designated for Subsequent Years Expenditures	2,060,299		2,369,817		4,430,116
Capital Reserve Account	4,785,938				4,785,938
Unreserved, Reported In:					
General Fund	1,115,061				1,115,061
Special Revenue		1,535			1,535
Debt Service Fund				5,169	5,169
Total Fund Balances	<u>10,059,592</u>	<u>1,535</u>	<u>2,632,277</u>	<u>5,169</u>	<u>12,698,573</u>
Total Liabilities and Fund Balance	<u>\$10,059,592</u>	<u>1,775,825</u>	<u>2,633,442</u>	<u>5,169</u>	

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 \$166,357,780 and the accumulated depreciation is \$25,092,675

141,265,105

Accrued Interest

(668,650)

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 3)

(45,200,155)

Net assets of governmental activities

\$ 108,094,873

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

<u>Revenues</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Local Sources:					
Local Tax Levy	\$ 57,936,065			1,609,547	59,545,612
Tuition Charges	189,186				189,186
Miscellaneous	191,152	197,522	11,976	777,833	1,178,483
Total Local Sources	58,316,403	197,522	11,976	2,387,380	60,913,281
State Sources	8,174,963	765,652		774,083	9,714,698
Federal Sources	44,818	1,523,706			1,568,524
Total Revenues	66,536,184	2,486,880	11,976	3,161,463	72,196,503
<u>Expenditures</u>					
Current:					
Regular Instruction	18,774,585				18,774,585
Special Education Instruction	5,394,166	1,378,135			6,772,301
Other Special Instruction	1,987,744				1,987,744
Other Instruction	1,142,544				1,142,544
Support Services and Undistributed Costs:					
Tuition	1,733,529				1,733,529
Student and Instruction Related Services	9,047,674	902,372			9,950,046
General Administrative Services	584,913				584,913
Other Administrative Services	3,848,697				3,848,697
Plant Operations and Maintenance	6,101,268				6,101,268
Pupil Transportation	2,493,136				2,493,136
Unallocated Benefits	14,928,236				14,928,236
Debt Service:					
Principal				2,490,000	2,490,000
Interest and Other Charges				2,112,569	2,112,569
Capital Outlay	83,091	204,838	53,334		341,263
Total Expenditures	66,119,583	2,485,345	53,334	4,602,569	73,260,831

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	416,601	1,535	(41,358)	(1,441,106)	(1,064,328)
Other Financing Sources (Uses):					
Capital Projects to Debt Service			(1,241,882)	1,241,882	-
Total Other Financing Sources (Uses)	-	-	(1,241,882)	1,241,882	-
Net Change in Fund Balances	416,601	1,535	(1,283,240)	(199,224)	(1,064,328)
Fund Balance - July 1	9,642,991		3,653,057	204,393	13,500,441
Fund Balance - June 30	<u>\$ 10,059,592</u>	<u>1,535</u>	<u>2,369,817</u>	<u>5,169</u>	<u>12,436,113</u>

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

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, 2010

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ (1,064,328)
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:</p> <p>Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	(2,842,777)	
Capital Outlays	341,263	
		(2,501,514)
<p>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.</p>		
		2,490,000
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		258,802
Compensated Absences		(393,261)
Change in Net Assets of Governmental Activities		\$ (1,210,301)

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

STATEMENT OF NET ASSETS

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2010

	Food Services	Academy ETTC	Driver's Education	Reading Recovery	Community	Building Use	Extended Day Care	Total 2010
Assets								
Current Assets:								
Cash and Cash Equivalents	\$ 118,838	3,184	18,515	209,530	2,578	21,682	164,455	538,782
Accounts Receivable:								
State	1,275							1,275
Federal	21,687							21,687
Inventory	26,122							26,122
Total Current Assets	<u>167,922</u>	<u>3,184</u>	<u>18,515</u>	<u>209,530</u>	<u>2,578</u>	<u>21,682</u>	<u>164,455</u>	<u>587,866</u>
Noncurrent Assets:								
Equipment	522,686							522,686
Accumulated Depreciation	(136,777)							(136,777)
Total Noncurrent Assets	<u>385,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,909</u>
Total Assets	<u>\$ 553,831</u>	<u>3,184</u>	<u>18,515</u>	<u>209,530</u>	<u>2,578</u>	<u>21,682</u>	<u>164,455</u>	<u>973,775</u>
Liabilities								
Current Liabilities:								
Accounts Payable	\$ 16,880						3,095	19,975
Total Liabilities	<u>\$ 16,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,095</u>	<u>19,975</u>
Net Assets								
Investment in Capital Assets	\$ 385,909							385,909
Unrestricted	151,042	3,184	18,515	209,530	2,578	21,682	161,360	567,891
Total Net Assets	<u>\$ 536,951</u>	<u>3,184</u>	<u>18,515</u>	<u>209,530</u>	<u>2,578</u>	<u>21,682</u>	<u>161,360</u>	<u>953,800</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2010

	<u>Food Services</u>	<u>Academy FTTC</u>	<u>Driver's Education</u>	<u>Reading Recovery</u>	<u>Community</u>	<u>Building Use</u>	<u>Extended Day Care</u>	<u>Total 2010</u>
Operating Revenues:								
Local Sources:								
Daily Sales Reimbursable Programs:								
School Lunch Program	\$ 747,794							747,794
Fees		3,353	42,700	99,270	4,420	40,114	563,050	752,907
Total Operating Revenues	<u>747,794</u>	<u>3,353</u>	<u>42,700</u>	<u>99,270</u>	<u>4,420</u>	<u>40,114</u>	<u>563,050</u>	<u>1,500,701</u>
Operating Expenses:								
Salaries & Benefits	76,888	37,331	39,847			14,487	427,176	595,729
Supplies and Materials	14,657		1,094	15,919		11,282	17,616	59,474
Cleaning, Repairs & Maintenance	150							1,244
Depreciation	34,846							34,846
Miscellaneous			3,429	146	10,925		26,144	40,644
Cost of Purchased Services	894,617			18,455			2,359	915,431
Management Fee	67,897							67,897
Total Operating Expenses	<u>1,089,055</u>	<u>37,331</u>	<u>44,370</u>	<u>34,520</u>	<u>10,925</u>	<u>25,769</u>	<u>473,295</u>	<u>1,715,265</u>
Operating Income (Loss)	<u>(341,261)</u>	<u>(33,978)</u>	<u>(1,670)</u>	<u>64,750</u>	<u>(6,505)</u>	<u>14,345</u>	<u>89,755</u>	<u>(214,564)</u>
Non-Operating Revenues:								
State Sources:								
State School Lunch Program	17,086							17,086
School Breakfast Program	343							343
Federal Sources:								
National School Lunch Program	290,423							290,423
School Breakfast Program	4,602							4,602
Commodities	59,315							59,315
Total Non-Operating Revenues	<u>371,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>371,769</u>
Net Income (Loss)	<u>30,508</u>	<u>(33,978)</u>	<u>(1,670)</u>	<u>64,750</u>	<u>(6,505)</u>	<u>14,345</u>	<u>89,755</u>	<u>157,205</u>
Adjustments:								
Cancel Prior Year Payables	12,250							12,250
Fixed Assets	307,659							307,659
Total Adjustments	<u>319,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,909</u>
Net Assets, July 1	<u>186,534</u>	<u>37,162</u>	<u>20,185</u>	<u>144,780</u>	<u>9,083</u>	<u>7,337</u>	<u>71,605</u>	<u>476,686</u>
Net Assets, June 30	<u>\$ 536,951</u>	<u>3,184</u>	<u>18,515</u>	<u>209,530</u>	<u>2,578</u>	<u>21,682</u>	<u>161,360</u>	<u>953,800</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

JUNE 30, 2010

	<u>Food Services</u>	<u>Academy ETTC</u>	<u>Driver's Education</u>	<u>Reading Recovery</u>	<u>Community</u>	<u>Building Use</u>	<u>Extended Day Care</u>	<u>Total 2010</u>
Cash Flows from Operating Activities:								
Operating Income (Loss)	\$ (341,261)	(33,978)	(1,670)	64,750	(6,505)	14,345	89,755	(214,564)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities								
Depreciation	34,846							34,846
Commodities	59,315							59,315
Change in Assets and Liabilities								
Decrease/(Increase) in Inventory	1,134							1,134
(Increase)/Decrease in Accounts Receivable	32,699							32,699
Increase/(Decrease) in Accounts Payable	(77,623)		(90)	(2,597)			1,989	(78,321)
Net Cash Used By Operating Activities	<u>(290,890)</u>	<u>(33,978)</u>	<u>(1,760)</u>	<u>64,750</u>	<u>(9,102)</u>	<u>14,345</u>	<u>91,744</u>	<u>(164,891)</u>
Cash Flows from Noncapital Financing Activities:								
Cash Received From State and Federal Reimbursements	312,454							312,454
Net Cash Provided Noncapital Financing Activities:	<u>312,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,454</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	21,564	(33,978)	(1,760)	64,750	(9,102)	14,345	91,744	55,819
Cash and Cash Equivalents, July 1	97,274	37,162	20,275	144,780	11,680	7,337	72,711	391,219
Cash and Cash Equivalents, June 30	<u>\$ 118,838</u>	<u>3,184</u>	<u>18,515</u>	<u>209,530</u>	<u>2,578</u>	<u>21,682</u>	<u>164,455</u>	<u>538,782</u>

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

Exhibit B-7

FIDUCIARY FUNDS

JUNE 30, 2010

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>	<u>Summer Savings</u>
Assets:				
Cash and Cash Equivalents	\$ 126,343	45,056	290,669	851,260
Total Assets	<u>\$ 126,343</u>	<u>45,056</u>	<u>290,669</u>	<u>851,260</u>
Net Assets:				
Accrued Salaries - Summer Savings	\$ -			851,260
Payroll Deductions and Withholdings			290,669	
Held in Trust for Unemployment Claims and Other Purposes	126,343			
Reserved for Scholarships		45,056		
Total Net Assets	<u>\$ 126,343</u>	<u>45,056</u>	<u>290,669</u>	<u>851,260</u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit B-8

FIDUCIARY FUNDSFOR THE YEAR ENDED JUNE 30, 2010

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<u>Additions</u>		
Contributions:		
Other	\$ 84,826	2,600
Total Contributions	<u>84,826</u>	<u>2,600</u>
Investment Earnings:		
Interest	268	
Net Investment Earnings	<u>268</u>	<u>-</u>
Total Additions	<u>85,094</u>	<u>2,600</u>
<u>Deductions</u>		
Unemployment Claims	43,692	
Scholarships Awarded		2,450
Total Deductions	<u>43,692</u>	<u>2,450</u>
Change in Net Assets	41,402	150
Net Assets - Beginning of the Year	<u>84,941</u>	<u>44,906</u>
Net Assets - End of the Year	<u>\$ 126,343</u>	<u>45,056</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Lawrence Township School District is a Type II district located in the County of Mercer, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades PreK-12. The Lawrence Township School District had an approximate enrollment at June 30, 2010 of 3,927 students.

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

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

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

NOTE 1: Summary of Significant Accounting Policies (Continued)**B. Government-Wide Financial Statements (Continued)**

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") 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 Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

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

D. Fund Accounting:

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

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

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

Fiduciary Fund Types

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

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

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2010 were insignificant.

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

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

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

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 66,555,521	3,630,202
Difference – budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as Expenditures, and the related revenue is recognized.		(1,144,857)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	352,009	10,656

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

I. Capital Assets and Depreciation

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

The District performed an in-house asset valuation during the 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2002-2003 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2003, fiscal year 2003 depreciation expense, total accumulated depreciation and book values were also provided. The records have updated annually through June 30, 2010. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

Capital asset activity for the year ended June 30, 2010 was as follows:

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

	Balance July 1, 2009	Additions	Adj.	Retirements	Balance June 30, 2010
Governmental Activities:					
Land	\$ 32,622,900				32,622,900
Construction in Progress	45,725,126	15,000			45,740,126
Total	<u>78,348,026</u>	<u>15,000</u>			<u>78,363,026</u>
Depreciable Assets:					
Buildings	74,717,386				74,717,386
Machinery & Equipment	13,686,870	90,382	(379,884)	120,000	13,277,368
Total	<u>88,404,256</u>	<u>90,382</u>	<u>(379,884)</u>	<u>120,000</u>	<u>87,994,754</u>
Less: Accumulated					
Depreciation:					
Buildings	(13,761,187)	(2,490,580)			(16,251,767)
Machinery & Equipment	(8,536,629)	(442,579)	18,300	(120,000)	(8,840,908)
Total Accumulated					
Depreciation	<u>(22,297,816)</u>	<u>(2,933,159)</u>	<u>18,300</u>	<u>(120,000)</u>	<u>(25,092,675)</u>
Net Depreciable Assets	<u>66,106,440</u>	<u>(2,842,777)</u>	<u>(361,584)</u>		<u>62,902,079</u>
Governmental Activities					
Capital Assets (Net)	<u>\$ 144,454,466</u>	<u>(2,827,777)</u>	<u>(361,584)</u>		<u>141,265,105</u>

Accumulated depreciation was allocated to governmental activities as follows:

	Prior Years' Accumulated Depreciation	Current Year Depreciation Expense	Adjustments	Total Accumulated Depreciation
Instruction	\$ 1,827,755	924,568		2,752,323
Support Services	1,117,106	314,965		1,432,071
Unallocated	<u>19,352,955</u>	<u>1,603,244</u>	47,918	<u>20,908,281</u>
	<u>\$ 22,297,816</u>	<u>2,842,777</u>	<u>47,918</u>	<u>25,092,675</u>

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010
Business-Type Activities:				
Equipment	\$ 215,027	307,659		522,686
Less: Accumulated				
Depreciation:				
Equipment	<u>(101,931)</u>	<u>(34,846)</u>		<u>(136,777)</u>
Business-Type Capital				
Assets (Net)	<u>\$ 113,096</u>	<u>272,813</u>		<u>385,909</u>

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

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

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

K. Deferred Revenue

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

L. Fund Equity

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

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

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

Deposits

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

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

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

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

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

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

Investments

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

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

As of June 30, 2010, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 14,433,619</u>

During the period ended June 30, 2010, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2010 was \$14,433,619 and the bank balance was \$15,159,918. Of the bank balance, \$200,000 was covered by federal depository insurance and \$14,959,918 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

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

FDIC	\$ 200,000
GUPDA	14,959,918

As of June 30, 2010, the District did not hold any long-term investments.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2010, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Long-Term</u> <u>Portion</u>	<u>2010-11</u> <u>Payment</u>
Compensated Absences Payable	\$ 1,401,894	393,261		1,795,155	1,795,155	
Bonds Payable	<u>45,895,000</u>	<u> </u>	<u>2,490,000</u>	<u>43,405,000</u>	<u>40,525,000</u>	<u>2,880,000</u>
Total	<u>\$ 47,296,894</u>	<u>393,261</u>	<u>2,490,000</u>	<u>45,200,155</u>	<u>42,320,155</u>	<u>2,880,000</u>

A. Bonds Payable

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

1. Technology improvements and renovations for \$7,853,000 at 4.40% interest with a balance of \$1,113,000 maturing 7-15-13.
2. School additions on 3-1-03 for \$27,564,000 at 3.6% to 4.4% with a balance of \$22,739,000 maturing 3/1/23.
3. Refunding pension bonds for \$3,270,000 at 1.5% to 5.3% interest with a balance of \$1,880,000 maturing 7-15-16.
4. School improvements for \$9,800,000 at 3.75% to 4.00% interest with a balance of \$7,220,000 maturing 3-1-17.
5. Solar improvements for \$10,508,000 at 4.125% to 4.375% interest with a balance of \$10,453,000 maturing 7/15/28.

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,880,000	1,766,395	4,646,395
2012	3,010,000	1,652,447	4,662,447
2013	3,155,000	1,532,701	4,687,701
2014	3,298,000	1,407,074	4,705,074
2015	3,445,000	1,279,756	4,724,756
2015-2019	14,845,000	4,385,386	19,230,386
2020-2024	9,829,000	1,584,902	11,413,902
2025-2029	<u>2,943,000</u>	<u>264,271</u>	<u>3,207,271</u>
	<u>\$ 43,405,000</u>	<u>13,872,932</u>	<u>57,277,932</u>

B. Bonds Authorized But Not Issued

As of June 30, 2010, the Board had no authorized but not issued bonds.

NOTE 3: General Long-Term Debt (Continued)**C. Capital Leases Payable:**

There were no capital leases at 6/30/10.

NOTE 4: Pension Plans

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

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

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

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

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

NOTE 4: Pension Plans (Continued)

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

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

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

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$ 166,296	100%	\$ 0
6/30/09	555,179	100%	0
6/30/08	396,964	100%	0

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$ 1,982,178	100%	0
6/30/09	1,880,866	100%	0
6/30/08	3,931,439	100%	0

NOTE 4: Pension Plans (Continued)

During the fiscal year ended June 30, 2010, the State of New Jersey contributed \$1,982,178 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,465,831 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 24.

NOTE 5: 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, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. 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 premiums changed from a prefunding 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 free 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 \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

NOTE 6: Deferred Compensation

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

Equitable
Lincoln
Met Life
Valic
Legend

NOTE 7: Risk Management

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

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

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

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2009-2010	\$ 268*	84,826	43,692	126,343
2008-2009	1,165*		53,604	84,941
2007-2008	5,118*		10,000	137,380

*Interest

NOTE 8: Capital Reserve Account

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

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

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning Balance, July 1, 2009	\$ 1,874,438
Deposits:	
Interest earned	10,648
Approved at April 2008 Election	2,700,852
Approved at June 2010 Election	<u>200,000</u>
Ending Balance, June 30, 2010	\$ 4,785,938

NOTE 9: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2010.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Debt Service Fund	\$ 1,165	
Capital Projects Fund		1,165
Special Revenue		200,000
General Fund	<u>200,000</u>	<u> </u>
	<u>\$ 201,165</u>	<u>201,165</u>

NOTE 10: Fund Balance Appropriated

General Fund – Of the \$10,430,938 General Fund fund balance at June 30, 2010, \$811,698 is reserved for encumbrances; \$2,060,299 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; \$686,596 is excess surplus; \$4,785,938 is in Capital Reserve, \$200,000 is in Emergency Reserve, \$400,000 is in Maintenance Reserve ; \$1,486,407 is unreserved and undesignated.

NOTE 11: Calculation of Excess Surplus

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

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2009-2010 budget and expended therefrom.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Lawrence Township at June 30, 2009 had an excess surplus of \$848,095, (see calculation below).

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

The calculation of reserved excess surplus is as follows:

2% Calculation of Excess Surplus

2009-10 Total General Fund Expenditures Per the CAFR	\$ 66,119,583
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(4,448,009)</u>
Adjusted 2009-10 General Fund Expenditures	<u>\$ 61,671,574</u>
2% of Adjusted 2009-10 General Fund Expenditures	\$ 1,233,431
Increased by: Allowable Adjustment	<u>252,976</u>
Maximum Unreserved/Undesignated Fund Balance	<u>\$ 1,486,407</u>

NOTE 11: Calculation of Excess Surplus (Continued)**Section 2**

Total General Fund – Fund Balance @ 6-30-10	\$ 10,430,938
Decreased by:	
Reserved for Encumbrances	(811,698)
Designated for Subsequent Years Expenditures	(2,060,299)
Other Reserves	<u>(5,385,938)</u>
	<u>(8,257,935)</u>
Total Unreserved/Undesignated Fund Balance	<u>\$ 2,173,003</u>
Reserved Fund Balance – Excess Surplus	<u>\$ 686,596</u>

Section 3

Reserved Fund Balance – Excess Surplus	<u>\$ 686,596</u>
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Detail of Allowable Adjustments

Extraordinary Aid	\$ 214,606
Non-Public Transportation Aid	<u>38,370</u>
	<u>\$ 252,976</u>

Detail of Other Reserved Fund Balance

Maintenance Reserve	\$ 400,000
Emergency Reserve	200,000
Capital Reserve	<u>4,785,938</u>
Total Other Reserved Fund Balance	<u>\$ 5,385,938</u>

NOTE 12: Section 125 IRS Code (Cafeteria Plan)

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

NOTE 13: Contingent Liabilities

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

NOTE 14: Economic Dependency

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

NOTE 15: Net Assets

	<u>Governmental</u>	<u>Business Activities</u>
Balance June 30, 2009	\$ 109,730,281	476,686
Adjustment for Debt Service and Fixed Assets	(425,107)	319,909
Adjustment Net Assets June 30, 2009	\$ 109,305,174	796,595

NOTE 16: Current Expense Emergency Reserve Account

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

NOTE 17: Recent Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2010. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2010 through November 8, 2010.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 1 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 57,936,065		57,936,065	57,936,065	-
Tuition	93,801		93,801	189,186	95,385
Interest on Investments	148,851		148,851	51,248	(97,603)
Miscellaneous			-	139,904	139,904
Total Local Sources	<u>58,178,717</u>	<u>-</u>	<u>58,178,717</u>	<u>58,316,403</u>	<u>137,686</u>
State Sources:					
Transportation Aid	1,325,424	(463,898)	861,526	861,526	-
Special Education Aid	2,150,823	(467,601)	1,683,222	1,683,222	-
Security Aid	382,133	(133,747)	248,386	248,386	-
Adjustment Aid	1,077,201	(377,020)	700,181	700,181	-
Extraordinary Aid			-	214,606	214,606
Supp. Transportation Aid			-	38,370	38,370
On Behalf TPAF Pension Contributions (Non-Budgeted)			-	1,982,178	1,982,178
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	2,465,831	2,465,831
Total State Sources	<u>4,935,581</u>	<u>(1,442,266)</u>	<u>3,493,315</u>	<u>8,194,300</u>	<u>4,700,985</u>
Federal Sources:					
Medicaid Reimbursement	33,111		33,111	44,818	11,707
Total Revenues	<u>63,147,409</u>	<u>(1,442,266)</u>	<u>61,705,143</u>	<u>66,555,521</u>	<u>4,850,378</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 2 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool-Salaries of Teachers	181,674	(63,800)	117,874	108,369	9,505
Kindergarten-Salaries of Teachers	1,074,500	(53,000)	1,021,500	1,020,611	889
Grades 1-5-Salaries of Teachers	7,014,657	(139,257)	6,875,400	6,830,735	44,665
Grades 6-8-Salaries of teachers	3,367,194	(226,884)	3,140,310	3,131,218	9,092
Grades 9-12-Salaries of teachers	5,918,874	(264,949)	5,653,925	5,625,882	28,043
Regular Programs Undistributed - Instruction:					
Other Salaries for Instruction	644,957	35,680	680,637	634,310	46,327
Purchased Professional/Educational Services	18,000	2,074	20,074	19,574	500
Purchased Technical Services	1,000	(1,000)			-
Other Purchased Services	232,602	(5,703)	226,899	82,155	144,744
General Supplies	1,178,553	10,653	1,189,206	1,116,688	72,518
Textbooks	177,284	17,073	194,357	155,794	38,563
Other Objects	7,248	(3,708)	3,540	1,231	2,309
Home Instruction:					
Teachers Salaries	30,000	9,110	39,110	36,807	2,303
Purchased Professional/Educational Services	12,000	6,992	18,992	11,211	7,781
Total Regular Programs-Instruction	<u>19,858,543</u>	<u>(676,719)</u>	<u>19,181,824</u>	<u>18,774,585</u>	<u>407,239</u>
Special Education:					
Learning and/ or Language Disabilities:					
Salaries of Teachers	5,547	(3,470)	2,077	2,077	
Total Learning and/ or Language Disabilities	<u>5,547</u>	<u>(3,470)</u>	<u>2,077</u>	<u>2,077</u>	<u>-</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 3 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Behavioral Disabilities:					
Salaries of Teachers	57,040	-	57,040	57,040	-
Other Salaries For Instruction	29,348	-	29,348	29,348	
General Supplies	2,000	101	2,101	1,620	481
Total Behavioral Disabilities	<u>88,388</u>	<u>101</u>	<u>88,489</u>	<u>88,008</u>	<u>481</u>
Multiple Disabilities:					
Salaries of Teachers	693,234	2,406	695,640	695,616	24
Other Salaries for Instruction	304,635	4,578	309,213	309,084	129
General Supplies	11,610	2,142	13,752	12,892	860
Textbooks	2,145	(687)	1,458	1,015	443
Total Multiple Disabilities	<u>1,011,624</u>	<u>8,439</u>	<u>1,020,063</u>	<u>1,018,607</u>	<u>1,456</u>
Resource Room/Resource Center:					
Salaries of Teachers	3,371,052	2,037	3,373,089	3,372,624	465
Other Salaries for Instruction	445,918	(26,400)	419,518	416,372	3,146
General Supplies	21,410	2,067	23,477	23,180	297
Textbooks	2,790	-	2,790	1,561	1,229
Total Resource Room/Resource Center	<u>3,841,170</u>	<u>(22,296)</u>	<u>3,818,874</u>	<u>3,813,737</u>	<u>5,137</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	157,118	37,624	194,742	194,443	299
Other Salaries for Instruction	46,698	8,947	55,645	55,645	-
General Supplies	9,264	37	9,301	8,557	744
Total Preschool Handicapped	<u>213,080</u>	<u>46,608</u>	<u>259,688</u>	<u>258,645</u>	<u>1,043</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 4 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Preschool Disabilities-Full Time					
Salaries of Teachers	111,960		111,960	111,960	
Other Salaries for Instruction	99,782		99,782	99,782	
General Supplies	2,100		2,100	1,350	750
Total Preschool Handicapped	<u>213,842</u>		<u>213,842</u>	<u>213,092</u>	<u>750</u>
Total Special Education	5,373,651	29,382	5,403,033	5,394,166	8,867
Basic Skills/Remedial:					
Salaries of Teachers	1,204,225	159,915	1,364,140	1,362,254	1,886
General Supplies	9,449	(333)	9,116	7,597	1,519
Textbooks	1,500	(605)	895	588	307
Total Basic Skills/Remedial	<u>1,215,174</u>	<u>158,977</u>	<u>1,374,151</u>	<u>1,370,439</u>	<u>3,712</u>
Bilingual Education:					
Salaries of Teachers	641,620	(34,000)	607,620	606,096	1,524
General Supplies	17,866	1,021	18,887	11,008	7,879
Textbooks	1,500	-	1,500	201	1,299
Total Bilingual Education	<u>660,986</u>	<u>(32,979)</u>	<u>628,007</u>	<u>617,305</u>	<u>10,702</u>
School Sponsored Co-Curricular Activities:					
Salaries	222,407	161	222,568	206,452	16,116
Other Purchased Services	14,085	4,040	18,125	14,257	3,868
Supplies and Materials	42,255	(2,997)	39,258	29,597	9,661
Other Objects	20,299	-	20,299	8,312	11,987
Total School Sponsored Co-Curricular Activities	<u>299,046</u>	<u>1,204</u>	<u>300,250</u>	<u>258,618</u>	<u>41,632</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 5 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfer</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
School Sponsored Athletics:					
Salaries	502,807	-	502,807	467,153	35,654
Salaries - Secretarial and Clerical	54,519	-	54,519	54,519	-
Other Purchased Services	76,229	(5,000)	71,229	51,448	19,781
Supplies and Materials	76,000	3,050	79,050	65,308	13,742
Other Objects	15,185	14	15,199	14,443	756
Total School Sponsored Athletics	<u>724,740</u>	<u>(1,936)</u>	<u>722,804</u>	<u>652,871</u>	<u>69,933</u>
After School Programs:					
Salaries of Teachers	31,075	13,662	44,737	24,089	20,648
Other Salaries For Instruction	66,960	129	67,089	34,377	32,712
Supplies and Materials	1,500	1,500	1,500	279	1,221
Total After School Programs	<u>98,035</u>	<u>15,291</u>	<u>113,326</u>	<u>58,745</u>	<u>54,581</u>
Summer School Programs:					
Salaries of Teachers	55,864	(13,662)	42,202	42,202	
Other Salaries For Instruction	4,515	(129)	4,386	4,386	
Supplies and Materials	1,100	(1,100)			
Total Summer School Programs	<u>61,479</u>	<u>(14,891)</u>	<u>46,588</u>	<u>46,588</u>	<u>-</u>
Community Service Programs:					
Salaries	63,073	(11,000)	52,073	44,926	7,147
Other Salaries for Instruction	91,385	(14,156)	77,229	77,228	1
Supplies and Materials	3,000	677	3,677	3,568	109
Total Community Service Programs	<u>157,458</u>	<u>(24,479)</u>	<u>132,979</u>	<u>125,722</u>	<u>7,257</u>
Total Instruction	<u>28,449,112</u>	<u>(546,150)</u>	<u>27,902,962</u>	<u>27,299,039</u>	<u>603,923</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 6 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Undistributed Expenditures:					
Instruction:					
Transfer to Charter Schools	10,759	5,509	16,268	16,268	
Tuition to Other LEA's - Regular	185,470	(42,414)	143,056	110,056	33,000
Tuition to Other LEA's - Special	32,632	6,378	39,010	39,000	10
Tuition to County Special Services - Regular	1,287,397	(346,223)	941,174	918,423	22,751
Tuition to Private Schools - Within State	396,710	241,871	638,581	603,081	35,500
Tuition to Private Schools - Outside State	56,210	(27,537)	28,673	28,002	671
Tuition - State Facilities	33,858	(16,000)	17,858	17,699	159
Tuition - Other	53,889	(52,889)	1,000	1,000	-
Total Instruction	2,056,925	(231,305)	1,825,620	1,733,529	92,091
Attendance & Social Work Services:					
Salaries	116,270	-	116,270	110,669	5,601
Other Purchased Services	19,200	100	19,300	18,550	750
Total Attendance & Social Work Services	135,470	100	135,570	129,219	6,351
Health Services:					
Salaries	741,018	3,181	744,199	738,242	5,957
Purchased Professional Educational Services	51,610	12,691	64,301	54,159	10,142
Supplies and Materials	20,567	1,995	22,562	19,050	3,512
Total Health Services	813,195	17,867	831,062	811,451	19,611

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 7 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Other Support Services - Students - Related:					
Salaries	1,113,821	(36,213)	1,077,608	1,076,790	818
Purchased Professional Educational Services	247,560	43,505	291,065	277,850	13,215
Supplies and Materials	4,770	18	4,788	4,025	763
Other Objects	400	-	400	400	-
Total Other Support Services - Student - Related	<u>1,366,551</u>	<u>7,310</u>	<u>1,373,861</u>	<u>1,359,065</u>	<u>14,796</u>
Other Support Services - Extraordinary:					
Salaries	342,389	(31,668)	310,721	298,991	11,730
Purchased Professional Educational Services	3,200	300	3,500	1,262	2,238
Total Other Support Services - Extraordinary	<u>345,589</u>	<u>(31,368)</u>	<u>314,221</u>	<u>300,253</u>	<u>13,968</u>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	1,337,237	(5,500)	1,331,737	1,329,991	1,746
Salaries - Secretarial and Clerical	198,289	-	198,289	198,289	-
Other Salaries for Instruction	2,024	-	2,024	63	1,961
Purchased Professional Educational Services	7,500	3,800	3,800	3,650	150
Purchased Professional Technical Services	-	-	7,500	2,600	4,900
Other Purchased Services	8,911	6,168	15,079	11,349	3,730
Supplies and Materials	17,985	4,856	22,841	21,443	1,398
Other Objects	1,009	165	1,174	509	665
Total Other Support Services - Students - Regular	<u>1,572,955</u>	<u>9,489</u>	<u>1,582,444</u>	<u>1,567,894</u>	<u>14,550</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 8 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	1,799,231	(3,493)	1,795,738	1,775,079	20,659
Salaries - Secretarial & Clerical	212,175	6,646	218,821	217,460	1,361
Other Salaries for Instruction	500	(150)	350		350
Other Purchased Services	3,300	5,353	8,653	5,122	3,531
Supplies & Materials	27,335	5	27,340	18,352	8,988
Miscellaneous	2,400	5,681	8,081	8,081	-
Other Objects	16,600	(4,000)	12,600	10,506	2,094
Total Other Support Services - Students - Special	2,061,541	10,042	2,071,583	2,034,600	36,983
Improvement of Instructional Services:					
Salaries - Supervisors of Instruction	1,290,428	(50,758)	1,239,670	1,239,670	-
Salaries - Other Professional Staff	93,273	(29,031)	64,242	53,603	10,639
Salaries - Secretarial & Clerical	244,993	30,065	275,058	275,057	1
Other Purchased Services	12,850	(4,575)	8,275	4,308	3,967
Supplies and Materials	22,090	(400)	21,690	20,471	1,219
Other Objects	36,763	(16,162)	20,601	18,550	2,051
Total Imprv. of Instructional Services	1,700,397	(70,861)	1,629,536	1,611,659	17,877
Educational Media Services/School Library:					
Salaries - Secretarial and Clerical	465,536	3,000	3,000	1,930	1,070
Salaries of Other Professional Staff	194,540	-	465,536	465,536	-
Other Salaries For Instruction	130,032	-	194,540	194,365	175
Other Salaries	132,496	-	130,032	122,514	7,518
Purchased Professional and Technical Services	231,333	(77,742)	54,754	35,249	19,505
Supplies and Materials	1,153,937	26,061	257,394	230,599	26,795
Total Educational Media Srvs/School Library	1,153,937	(48,681)	1,105,256	1,050,193	55,063

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Instructional Staff Training Services:					
Other Salaries	56,910	(7,200)	49,710	41,953	7,757
Purchased Professional/Educational Services	20,000	25,725	45,725	41,715	4,010
Other Purchased Services	130,000	(74,882)	55,118	53,936	1,182
Supplies and Materials	30,000	9,500	39,500	39,402	98
Other Objects	5,000	1,846	6,846	6,334	512
Total Instructional Staff Training Services	241,910	(45,011)	196,899	183,340	13,559
Support Services - General Administration:					
Salaries	288,308	1	288,309	288,309	-
Legal Services	70,000	52,929	122,929	78,606	44,323
Audit Services	22,770	(1,000)	21,770	21,770	
Other Purchased Professional Services		8,617	8,617		8,617
Communications - Telephone	175,922	(29,418)	146,504	131,144	15,360
BOE Other Purchased services	3,100	417	3,517	2,063	1,454
Other Purchased Services	42,800	(8,528)	34,272	21,775	12,497
General Supplies	5,560	61	5,621	4,686	935
BOE-Supplies	5,000	207	5,207	5,039	168
Miscellaneous	32,103	39	32,142	31,521	621
BOE - Membership Dues and Fees	5,500	(5,500)			-
Total Support Services - General Administration	651,063	17,825	668,888	584,913	83,975

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 10 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Support Services - School Administration:					
Salaries Principals/Assistant Principals	1,685,075	-	1,685,075	1,685,037	38
Salaries - Secretarial and Clerical	740,455	(10,400)	730,055	725,848	4,207
Other Purchased Services	10,051	3,225	13,276	12,054	1,222
Supplies and Materials	41,913	13,640	55,553	44,784	10,769
Other Objects	17,620	460	18,080	11,315	6,765
Total Support Services - School Administration	2,495,114	6,925	2,502,039	2,479,038	23,001
Support Services - Central Services:					
Salaries	898,868	97,728	996,596	996,596	-
Salaries of Other Professional Staff	13,750	(972)	12,778	4,066	8,712
Purchased Technical Services	11,000	3,040	14,040	13,701	339
Other Purchased Services	11,000	(1,586)	9,414	2,043	7,371
Supplies and Materials	63,180	(13,752)	49,428	45,501	3,927
Miscellaneous Expenditures	11,168	961	12,129	10,446	1,683
Total Support Services - Central Services	1,008,966	85,419	1,094,385	1,072,353	22,032
Support Services - Technology Services:					
Salaries	209,180	44,642	253,822	249,530	4,292
Purchased Technical Services	34,692	(2,860)	31,832	31,832	-
Other Purchased Services	35,000	(23,319)	11,681	4,499	7,182
Supplies and Materials	3,081	15,860	18,941	11,363	7,578
Other Objects	1,782	-	1,782	82	1,700
Total Support Services - Technology Services	283,735	34,323	318,058	297,306	20,752
Allowance Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	241,689	174,850	416,539	346,363	70,176
General Supplies	96,601	11,822	108,423	88,226	20,197
Total Allowance Maint. For School Facilities	338,290	186,672	524,962	434,589	90,373

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 11 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Operations and Maintenance of Plant Services:					
Salaries	1,905,433	12,878	1,918,311	1,892,271	26,040
Salaries - Secretarial & Clerical	51,648	954	52,602	50,899	1,703
Other Salaries	1,211,749	(9,007)	1,202,742	1,195,002	7,740
Cleaning, Repair & Maintenance Services	198,259	97,414	295,673	176,778	118,895
Other Purchased Services	3,360	(532)	2,828	1,405	1,423
Rental of Land and Buildings - Other Than					
Lease Purchase Agreements	90,000	(8,750)	81,250	77,661	3,589
Other Purchased Property Services	165,737	23,848	189,585	132,601	56,984
Insurance	280,109	-	280,109	274,709	5,400
General Supplies	261,700	(34,301)	227,399	191,378	36,021
Energy (Heat & Electric)	827,646	25,805	853,451	703,927	149,524
Natural Gas	972,354	(281,683)	690,671	575,199	115,472
Other Objects	4,272	10,999	15,271	10,418	4,853
Total Operations and Maint. of Plant Services	5,972,267	(162,375)	5,809,892	5,282,248	527,644
Maintenance of Grounds:					
Cleaning, Repair and Maintenance	30,000	11,960	41,960	41,960	
Security:					
Salaries	314,900	23,799	338,699	335,775	1,013,173
Purchased Services		1,485	1,485	1,000	3,970
Supplies and Materials	2,220	3,476	5,696	5,696	17,088
Total Security	317,120	28,760	345,880	342,471	1,034,231

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 12 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Student Transportation Services:					
Salaries for Pupil Trans. (Home/School - Reg.)	91,120	76,675	167,795	167,407	388
Salaries for Pupil Trans. (Home/School - Sp. Ed)	31,414	49,054	80,468	62,142	18,326
Salaries for Pupil Trans.(Other than Home/School)	65,102	(34,784)	30,318	29,414	904
Purchased Professional and Technical Services	6,840	-	6,840	6,840	-
Equipment Repair	21,937	1,798	23,735	17,721	6,014
Rental of Land and Buildings	3,400	20,000	23,400	17,195	6,205
Aid In Lieu	185,125	(31,602)	153,523	148,780	4,743
Contracted Services:					
(Home/School) Vendors	1,350,598	(69,599)	1,280,999	1,280,999	-
(Other Than Home/School) Vendors	165,812	(19,934)	145,878	139,612	6,266
(Special Education) Vendors	574,223	(371,420)	202,803	201,601	1,202
Miscellaneous Purchased Services	366,690	32,282	398,972	398,965	7
Supplies and Materials	37,400	(14,231)	23,169	21,975	1,194
Miscellaneous	600	523	1,123	485	638
Total Transportation Services	2,900,261	(361,238)	2,539,023	2,493,136	45,887
Unallocated Benefits:					
Social Security Contributions	880,950	(7,310)	873,640	869,337	4,303
Other Retirement Contributions-Regular	689,131	(22,870)	666,261	665,438	823
Unemployment Compensation		200,000	200,000	200,000	-
Workmen's Compensation	456,084	(83,515)	372,569	372,568	1
Health Benefits	8,221,991	77,695	8,299,686	8,120,551	179,135
Tuition Reimbursements	95,000	-	95,000	86,037	8,963
Other Benefits	203,720	(9,350)	194,370	166,296	28,074
Total Unallocated Benefits	10,546,876	154,650	10,701,526	10,480,227	221,299

LAWRENCE TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 13 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
On Behalf TPAF Contributions (Non-Budgeted)		-		1,982,178	(1,982,178)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)		-		2,465,831	(2,465,831)
Total Undistributed Expenditures	35,992,162	(379,497)	35,612,665	38,737,453	(2,093,966)
Total Expenditures - Current Expense	64,441,274	(925,647)	63,515,627	66,036,492	(1,490,043)
Capital Outlay:					
Equipment:					
Grades 1-5	10,800	998	11,798	11,798	-
Grades 9-12	25,895	40	25,935	25,935	-
Non-Instructional Equipment	16,200	11,152	27,352	27,259	93
Undistributed-Instruction	13,640	4,460	18,100	18,099	1
Total Equipment	66,535	16,650	83,185	83,091	94
Facilities Acquisition and Construction Services:					
Construction Services		15,000	15,000		15,000
Total Facilities Acquisition and Construction Svcs.	-	15,000	15,000	-	15,000
Total Capital Outlay	66,535	31,650	98,185	83,091	15,094
Total Expenditures	64,507,809	(893,997)	63,613,812	66,119,583	(1,474,949)

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 14 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfer	Final Budget	Actual	Final to Actual
Excess (Deficiency) of Revenues Over/(Under)	(1,360,400)	(548,269)	(1,908,669)	435,938	3,375,429
Expenditures	9,995,000		9,995,000	9,995,000	
Fund Balance July 1	\$ 8,634,600	(548,269)	8,086,331	10,430,938	3,375,429
Fund Balance June 30					
Recapitulation:					
Reserve for Encumbrances				\$ 811,698	
Excess Surplus				848,095	
Excess Surplus - Designated for Subsequent Year's Expenditures					
Maintenance Reserve				400,000	
Capital Reserve				4,624,439	
Emergency Reserve				200,000	
Unrestricted Fund Balance				1,486,407	
Unrestricted Fund Balance - Designated for Subsequent Year's Expenditures				2,060,299	
				10,430,938	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				(371,346)	
Fund Balance Per Governmental Funds (GAAP)				\$ 10,059,592	

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 765,652		765,652	765,652	
Federal Sources	2,667,028		2,667,028	2,667,028	
Local Sources	197,522		197,522	197,522	
Total Revenues	<u>\$3,630,202</u>	<u>-</u>	<u>3,630,202</u>	<u>3,630,202</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 254,059		254,059	254,059	
Other Salaries for Instruction	23,604		23,604	23,604	
Purchased Professional and Technical Services	589,305		589,305	589,305	
Tuition	827,333		827,333	827,333	
General Supplies	722,325		722,325	722,325	
Textbooks	99,951		99,951	99,951	
Other Objects	6,415		6,415	6,415	
Total Instruction	<u>2,522,992</u>	<u>-</u>	<u>2,522,992</u>	<u>2,522,992</u>	<u>-</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-2
 Sheet 2 of 2

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Personal Services - Salaries	6,650		6,650	6,650	
Personal Services - Employee Benefits	11,263		11,263	11,263	
Purchased Professional - Educational Services	777,104		777,104	777,104	
Other Purchased Services	35,019		35,019	35,019	
Supplies and Materials	64,836		64,836	64,836	
Travel	7,500		7,500	7,500	
Total Support Services	<u>902,372</u>	<u>-</u>	<u>902,372</u>	<u>902,372</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional	121,013		121,013	121,013	
Total Facilities Acquisition and Construction Services	<u>83,825</u>		<u>83,825</u>	<u>83,825</u>	
Total Facilities Acquisition and Construction Services	<u>204,838</u>	<u>-</u>	<u>204,838</u>	<u>204,838</u>	<u>-</u>
Total Expenditures	<u>\$3,630,202</u>	<u>-</u>	<u>3,630,202</u>	<u>3,630,202</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE TOWNSHIP SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 66,555,521	3,630,202
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(1,144,857)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	352,009	10,656
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(371,346)</u>	<u>(9,121)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 66,536,184</u>	<u>2,486,880</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 66,119,583	3,630,202
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(1,144,857)</u>
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 66,119,583</u>	<u>2,485,345</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

Exhibit E-1
Sheet 1 of 3

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Title I	Title I SIA	Title IIIA	Title III	Title IV	I.D.E.A. Basic	I.D.E.A. Preschool	A.R.R.A. I.D.E.A. Basic	A.R.R.A. I.D.E.A. Preschool	Perkins
Revenues:										
State Sources	\$ -									
Federal Sources	252,179	96,617	122,713	1,617	15,772	960,662	32,104	567,647	6,629	11,928
Local Sources										
Total Revenues	\$ 252,179	96,617	122,713	1,617	15,772	960,662	32,104	567,647	6,629	11,928
Expenditures:										
Instruction:										
Salaries of Teachers	\$ 117,640	3,909	4,425	14,599						
Other Salaries for Instruction	39,883				7,520					
Purchased Professional and Technical Svcs.						629,919		197,414		
Other Purchased Services	43,657	91,009		164	4,897	5,113	21,196	92,471	6,049	5,436
General Supplies										
Textbooks								990		5,425
Miscellaneous								290,875	6,049	10,861
Total Instruction	201,180	94,918	4,425	164	12,417	635,032	21,196	290,875	6,049	10,861
Support Services:										
Personal Services - Salaries										
Personnel Services - Employee Benefits	8,999	299	339	1,117						
Purchased Professional and Technical Svcs.	39,000	1,400	89,086	1,370	3,355	324,856		147,242		
Other Purchased Services			26,504	83		774		2,163		1,067
Supplies and Materials	3,000		2,359				10,908	25,112	580	
Travel										
Total Support Services	50,999	1,699	118,288	1,453	3,355	325,630	10,908	174,517	580	1,067
Facilities, Acquisition and Construction Services:										
Instructional Equipment								18,430		
Non-Instructional Equipment								83,825		
Total Facilities Acquisition and Construction Services								102,255		
Total Expenditures	\$ 252,179	96,617	122,713	1,617	15,772	960,662	32,104	567,647	6,629	11,928

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

Exhibit E-1
Sheet 2 of 3

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Non-Public Textbooks	Nursing Services	Home Instruction	ESL	Compensatory Education	Transportation	Examination & Classification	Corrective Speech	Supplementary Instruction
Revenues:									
State Sources	97,574	117,962	5,907	4,894	104,127	23,490	134,897	53,354	93,896
Federal Sources									
Local Sources									
Total Revenues	<u>97,574</u>	<u>117,962</u>	<u>5,907</u>	<u>4,894</u>	<u>104,127</u>	<u>23,490</u>	<u>134,897</u>	<u>53,354</u>	<u>93,896</u>
Expenditures:									
Instruction:									
Salaries of Teachers									
Other Salaries for Instruction									
Purchased Professional and Technical Svcs.									
Other Purchased Services		117,962	5,907	4,894	104,127	23,490	134,897	53,354	93,896
General Supplies									
Textbooks	97,574								
Miscellaneous									
Total Instruction	<u>97,574</u>	<u>117,962</u>	<u>5,907</u>	<u>4,894</u>	<u>104,127</u>	<u>23,490</u>	<u>134,897</u>	<u>53,354</u>	<u>93,896</u>
Support Services:									
Personal Services - Salaries									
Personnel Services - Employee Benefits									
Purchased Professional/Educational Svcs.									
Other Purchased Services									
Supplies and Materials									
Travel									
Total Support Services									
Facilities, Acquisition and Construction Services:									
Instructional Equipment									
Non-Instructional Equipment									
Total Facilities Acquisition and Construction Services									
Total Expenditures	<u>97,574</u>	<u>117,962</u>	<u>5,907</u>	<u>4,894</u>	<u>104,127</u>	<u>23,490</u>	<u>134,897</u>	<u>53,354</u>	<u>93,896</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Preschool Education</u>	<u>ELLI Grant</u>	<u>E & E Grant</u>	<u>L.TEF</u>	<u>Loews Toolbox</u>	<u>ARRA Title IID Talent 21</u>	<u>Mercer County History</u>	<u>Totals 2010</u>
Revenues:								
State Sources	85,800	43,751	696	196,302	493	582,544	31	765,652
Federal Sources								2,667,028
Local Sources								197,522
Total Revenues	85,800	43,751	696	196,302	493	582,544	31	3,630,202
Expenditures:								
Instruction:								
Salaries of Teachers	62,322	43,751		7,413				254,059
Other Salaries for Instruction	23,478			126				23,604
Purchased Professional and Technical Svcs.				3,375				589,305
Tuition				145,501		305,800	31	827,333
General Supplies			101	2,377				722,325
Textbooks								99,951
Miscellaneous								6,415
Total Instruction	85,800	43,751	101	158,792	-	305,800	31	2,522,992
Support Services:								
Personal Services - Salaries						6,650		6,650
Personnel Services - Employee Benefits						509		11,263
Purchased Professional/Educational Svcs.			595	700		169,500		777,104
Other Purchased Services				4,428				35,019
Supplies and Materials				22,384	493	7,500		64,836
Travel								7,500
Total Support Services	-	-	595	27,512	493	184,159	-	902,372
Facilities Acquisition and Construction Services:								
Instructional Equipment				9,998		92,585		121,013
Non-Instructional Equipment								83,825
Total Facilities Acquisition and Construction Services	-	-	-	9,998	-	92,585	-	204,838
Total Expenditures	85,800	43,751	696	196,302	493	582,544	31	3,630,202

LAWRENCE TOWNSHIP SCHOOL DISTRICTSPECIAL REVENUE FUND

Exhibit E-2

SCHEDULE OF PRESCHOOL EDUCATION AIDBUDGETARY BASISFOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 62,322	62,322	
Other Salaries of Instruction	23,478	23,478	
Total Instruction	<u>85,800</u>	<u>85,800</u>	<u>-</u>
Total Expenditures	<u>\$ 85,800</u>	<u>85,800</u>	<u>-</u>

Calculation of Budget & Carryover

Total Revised 2009-10 Preschool Education Aid Allocation		\$ 85,800
Add: Actual ECPA/PEA Carryover (June 30, 2009)		
Add: Budgeted Transfer from the General Fund 2009-10		<u> </u>
Total Preschool Education Aid Funds Available for 2009-10 Budget		85,800
Less: 2008-09 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)		<u>85,800</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2010		-
Add: June 30, 2010 Unexpended Preschool Education Aid		<u>-</u>
2009-10 Carryover - Preschool Education Aid Program		<u>\$ -</u>
2009-10 Preschool Education Aid Carryover Budgeted for Preschool Programs 2010-11		<u>\$ -</u>

CAPITAL PROJECTS FUND – F

LAWRENCE TOWNSHIP SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF PROJECT EXPENDITURESFOR THE YEAR ENDED JUNE 30, 2010

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>	
			<u>Prior Years</u>	<u>Current Year</u>
Alterations & Additions-Elementary Schools	3/1/2003	\$ 37,223,753	37,211,553	
Improvements Various Schools		9,800,000	9,332,360	
Solar Energy	6/11/2008	10,508,000	8,352,609	75,755
Totals		\$ 57,531,753	54,896,522	75,755

LAWRENCE TOWNSHIP SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-2

SUMMARY SCHEDULE OF PROJECT EXPENDITURESFOR THE YEAR ENDED JUNE 30, 2010Revenues and Other Financing Sources

Interest	\$ 11,976
Total Revenues	<u>11,976</u>

Expenditures and Other Financing Uses

Construction Services	<u>53,334</u>
Total Expenditures	<u>53,334</u>

Adjustment for Encumbrances	262,460
-----------------------------	---------

Excess (Deficiency) of Revenues Over (Under) Expenditures	221,102
---	---------

Other Financing Sources (Uses)

Transfer to Debt Service-Interest	(11,976)
Transfer to Debt Service	(1,229,906)
Total Other Financing Sources (Uses)	<u>(1,241,882)</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,020,780)
---	-------------

Fund Balance - Beginning	<u>3,653,057</u>
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Fund Balance - Ending	<u>\$ 2,632,277</u>
-----------------------	---------------------

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2a

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

ALTERATIONS AND ADDITIONS TO ELEMENTARY SCHOOLS

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjust Encumbrances</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>					
State Sources - SCC Grant	\$ 9,659,613			9,659,613	9,659,613
Bond Proceeds and Transfers	27,564,140			27,564,140	27,564,140
Total Revenues	<u>37,223,753</u>	<u>-</u>		<u>37,223,753</u>	<u>37,223,753</u>
<u>Expenditures and Other Financing Uses</u>					
Purchased Professional and Technical Services	3,421,085			3,421,085	3,421,085
Construction Services	33,690,118	(17,356)	(12,200)	33,660,562	33,802,668
Transferred To Debt Service		129,906		129,906	129,906
Total Expenditures	<u>37,111,203</u>	<u>112,550</u>	<u>(12,200)</u>	<u>37,211,553</u>	<u>37,223,753</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 112,550</u>	<u>(112,550)</u>	<u>(12,200)</u>	<u>12,200</u>	<u>-</u>

Additional Project Information

Project Number	SP203090-SP203105
Grant Date	5/1/03
Bond Authorization Date	3/1/03
Bonds Authorized	\$ 27,564,240
Bonds Issued	27,564,000
Original Authorized Cost	37,230,194
Additional Authorized Cost	-
Revised Authorized Cost	37,223,753

Percentage Increase Over Original Authorized Cost 0%

Percentage Completion 100%

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2b

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

IMPROVEMENTS - VARIOUS SCHOOLS

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Adjust Encumbrances	Totals	Revised Authorized Cost
<u>Revenues and Other Financing Sources</u>					
Sale of Bonds	\$ 9,800,000			9,800,000	9,800,000
Total Revenues	9,800,000	-		9,800,000	9,800,000
<u>Expenditures and Other Financing Uses</u>					
Construction Services	8,037,783	(5,065)	(72,801)	7,959,917	8,032,718
Professional Technical Services	199,570			199,570	199,570
Other	72			72	72
Transfer To Debt Service		1,100,000		1,100,000	1,100,000
Total Expenditures	8,237,425	1,094,935	(72,801)	9,259,559	9,332,360
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,562,575	(1,094,935)	(72,801)	540,441	467,640

Additional Project Information

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	
Bonds Authorized	\$9,800,000
Bonds Issued	9,800,000
Original Authorized Cost	9,800,000
Additional Authorized Cost	-
Revised Authorized Cost	9,800,000
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	99%
Original Target Completion Date	6/30/09
Revised Target Completion Date	9/30/10

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Exhibit F-2c

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

SOLAR ENERGY SAVINGS SYSTEMS

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Adjust</u> <u>Encumbrances</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<u>Revenues and Other Financing Sources</u>					
Bond Proceeds	\$ 10,508,000			10,508,000	10,508,000
Total Revenues	10,508,000	-		10,508,000	10,508,000
<u>Expenditures and Other Financing Uses</u>					
Purchased Professional and Technical Services	571,475			571,475	571,475
Other Purchased Services	34,355			34,355	34,355
Construction Services	7,924,238	75,755	(177,459)	7,999,993	9,522,963
Total Expenditures	8,530,068	75,755	(177,459)	8,428,364	10,128,793
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,977,932	(75,755)	(177,459)	2,079,636	379,207

Additional Project Information

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	June 11, 2008
Bonds Authorized	\$10,508,000
Bonds Issued	10,508,000
Original Authorized Cost	10,508,000
Additional Authorized Cost	
Revised Authorized Cost	10,508,000
Percentage Increase Over Original Authorized Cost	None
Percentage Completion	80%
Original Target Completion Date	6/30/09
Revised Target Completion Date	6/30/11

PROPRIETARY FUNDS – G

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF NET ASSETS

ENTERPRISE FUNDS

JUNE 30, 2010

Exhibit G-1

<u>Assets</u>	<u>Food Services</u>	<u>Academy ETTC</u>	<u>Driver's Education</u>	<u>Reading Recovery</u>	<u>Community</u>	<u>Building Use</u>	<u>Extended Day Care</u>	<u>Total 2010</u>
Current Assets:								
Cash and Cash Equivalents	\$ 118,838	3,184	18,515	209,530	2,578	21,682	164,455	538,782
Accounts Receivable:								
State	1,275							1,275
Federal	21,687							21,687
Inventory	26,122							26,122
Total Current Assets	<u>167,922</u>	<u>3,184</u>	<u>18,515</u>	<u>209,530</u>	<u>2,578</u>	<u>21,682</u>	<u>164,455</u>	<u>587,866</u>
Noncurrent Assets:								
Equipment	522,686							522,686
Accumulated Depreciation	(136,777)							(136,777)
Total Noncurrent Assets	<u>385,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,909</u>
Total Assets	<u>\$ 553,831</u>	<u>3,184</u>	<u>18,515</u>	<u>209,530</u>	<u>2,578</u>	<u>21,682</u>	<u>164,455</u>	<u>973,775</u>
<u>Liabilities</u>								
Current Liabilities:								
Accounts Payable	\$ 16,880						3,095	19,975
Total Liabilities	<u>\$ 16,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,095</u>	<u>19,975</u>
<u>Net Assets</u>								
Investment in Capital Assets	\$ 385,909							385,909
Unrestricted	151,042	3,184	18,515	209,530	2,578	21,682	161,360	567,891
Total Net Assets	<u>\$ 536,951</u>	<u>3,184</u>	<u>18,515</u>	<u>209,530</u>	<u>2,578</u>	<u>21,682</u>	<u>161,360</u>	<u>953,800</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

ENTERPRISE FUNDS

JUNE 30, 2010

	<u>Food Services</u>	<u>Academy ETTIC</u>	<u>Driver's Education</u>	<u>Reading Recovery</u>	<u>Community</u>	<u>Building Use</u>	<u>Extended Day Care</u>	<u>Total 2010</u>
Operating Revenues:								
Local Sources:								
Daily Sales Reimbursable Programs:								
School Lunch Program	\$ 747,794	3,353	42,700	99,270	4,420	40,114	563,050	747,794
Fees		3,353	42,700	99,270	4,420	40,114	563,050	752,907
Total Operating Revenues	747,794	3,353	42,700	99,270	4,420	40,114	563,050	1,500,701
Operating Expenses:								
Salaries & Benefits	76,888	37,331	39,847			14,487	427,176	595,729
Supplies and Materials	14,657		1,094	15,919		11,282	17,616	59,474
Cleaning, Repairs & Maintenance	150							1,244
Depreciation	34,846							34,846
Miscellaneous	894,617		3,429	146	10,925		26,144	40,644
Cost of Purchased Services	67,897			18,455			2,359	915,431
Management Fee			44,370					67,897
Total Operating Expenses	1,089,055	37,331	44,370	34,520	10,925	25,769	473,295	1,715,265
Operating Income (Loss)	(341,261)	(33,978)	(1,670)	64,750	(6,505)	14,345	89,755	(214,564)
Non-Operating Revenues:								
State Sources:								
State School Lunch Program	17,086							17,086
School Breakfast Program	343							343
Federal Sources:								
National School Lunch Program	290,423							290,423
School Breakfast Program	4,602							4,602
Commodities	59,315							59,315
Total Non-Operating Revenues	371,769	-	-	-	-	-	-	371,769
Net Income (Loss)	30,508	(33,978)	(1,670)	64,750	(6,505)	14,345	89,755	157,205
Adjustments:								
Cancel Prior Year Payables	12,250							12,250
Fixed Assets Additions	307,659							307,659
Total Adjustments	319,909	-	-	-	-	-	-	319,909
Net Assets, July 1	186,534	37,162	20,185	144,780	9,083	7,337	71,605	476,686
Net Assets, June 30	\$ 536,951	3,184	18,515	209,530	2,578	21,682	161,360	953,800

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF CASH FLOWS

ENTERPRISE FUNDS

JUNE 30, 2010

	<u>Food Services</u>	<u>Academy ETTC</u>	<u>Driver's Education</u>	<u>Reading Recovery</u>	<u>Community</u>	<u>Building Use</u>	<u>Extended Day Care</u>	<u>Total 2010</u>
Cash Flows from Operating Activities:								
Operating Income (Loss)	\$ (341,261)	(33,978)	(1,670)	64,750	(6,505)	14,345	89,755	(214,564)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:								
Depreciation	34,846							34,846
Commodities	59,315							59,315
Change in Assets and Liabilities:								
Decrease/(Increase) in Inventory	1,134							1,134
(Increase)/Decrease in Accounts Receivable	32,699							32,699
Increase/(Decrease) in Accounts Payable	(77,623)		(90)		(2,597)		1,989	(78,321)
Net Cash Used By Operating Activities	<u>(290,890)</u>	<u>(33,978)</u>	<u>(1,760)</u>	<u>64,750</u>	<u>(9,102)</u>	<u>14,345</u>	<u>91,744</u>	<u>(164,891)</u>
Cash Flows from Noncapital Financing Activities:								
Cash Received From State and Federal Reimbursements	312,454							312,454
Net Cash Provided Noncapital Financing Activities:	<u>312,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,454</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	21,564	(33,978)	(1,760)	64,750	(9,102)	14,345	91,744	55,819
Cash and Cash Equivalents, July 1	97,274	37,162	20,275	144,780	11,680	7,337	72,711	391,219
Cash and Cash Equivalents, June 30	<u>\$ 118,838</u>	<u>3,184</u>	<u>18,515</u>	<u>209,530</u>	<u>2,578</u>	<u>21,682</u>	<u>164,455</u>	<u>538,782</u>

FIDUCIARY FUND – H

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AS OF JUNE 30, 2010

	<u>Scholarship Fund Non-Expendable Trust Fund</u>	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Summer Savings</u>	<u>Unemployment Compensation Expendable Trust</u>	<u>Total 2010</u>
Assets:						
Cash and Cash Equivalents	\$ 45,056	171,228	290,669	851,260	126,343	1,484,556
Total Assets	<u>45,056</u>	<u>171,228</u>	<u>290,669</u>	<u>851,260</u>	<u>126,343</u>	<u>1,484,556</u>
Liabilities and Fund Balances:						
Liabilities:						
Accrued Salaries - Summer Savings				851,260		851,260
Payroll Deductions and Withholdings			290,669			290,669
Due to Student Groups		171,228				171,228
Total Liabilities		<u>171,228</u>	<u>290,669</u>	<u>851,260</u>	<u>-</u>	<u>1,313,157</u>
Net Assets:						
Reserved - Scholarships	45,056					45,056
Reserved - Unemployment Benefits					126,343	126,343
Total Net Assets	<u>\$ 45,056</u>				<u>126,343</u>	<u>171,399</u>

EXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGES

IN FIDUCIARY NET ASSETS

JUNE 30, 2010

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 2,600	84,826	87,426
Interest on Investments		268	268
Total Additions	<u>2,600</u>	<u>85,094</u>	<u>87,694</u>
Deductions:			
Scholarship Payments	2,450		2,450
Unemployment Claims		43,692	43,692
Total Deductions	<u>2,450</u>	<u>43,692</u>	<u>46,142</u>
Change in Net Assets	150	41,402	41,552
Net Assets, July 1	<u>44,906</u>	<u>84,941</u>	<u>129,847</u>
Net Assets, June 30	<u>\$ 45,056</u>	<u>126,343</u>	<u>171,399</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2010

	Balance July 1, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
<u>Elementary Schools</u>				
Benjamin Franklin	\$ 758	2,150	2,278	630
Eldridge Park	3,920	7,257	6,594	4,583
Lawrenceville	2,560	9,600	10,177	1,983
Slackwood	1,798		902	896
Total Elementary Schools	<u>9,036</u>	<u>19,007</u>	<u>19,951</u>	<u>8,092</u>
<u>Junior High Schools</u>				
Lawrence Intermediate	5,156	21,732	19,747	7,141
Lawrence Middle	63,167	59,078	69,413	52,832
Total Junior High Schools	<u>68,323</u>	<u>80,810</u>	<u>89,160</u>	<u>59,973</u>
<u>Senior High Schools</u>				
Lawrence High	137,246	221,304	255,387	103,163
Total Senior High Schools	<u>137,246</u>	<u>221,304</u>	<u>255,387</u>	<u>103,163</u>
Total - All Schools	<u>\$ 214,605</u>	<u>321,121</u>	<u>364,498</u>	<u>171,228</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Assets:				
Cash and Cash Equivalents	\$ 290,812	47,885,622	47,885,765	290,669
Total Assets	<u>\$ 290,812</u>	<u>47,885,622</u>	<u>47,885,765</u>	<u>290,669</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 290,812	47,885,622	47,885,765	290,669
Total Liabilities	<u>\$ 290,812</u>	<u>47,885,622</u>	<u>47,885,765</u>	<u>290,669</u>

LONG-TERM DEBT – I

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit I-1
Sheet 1 of 2

LONG-TERM LIABILITIES

SCHEDULE OF SERIAL BONDS

JUNE 30, 2010

	Date of Issue	Original Issue	Annual Maturities		Interest Rate	Balance July 1, 2009	Retired	Balance June 30, 2010
			Date	Amount				
Technology Improve. & Renovations	7/15/1998	\$ 7,853,000	7/15/10-2012	\$ 280,000	4.40%	\$ 1,393,000	280,000	1,113,000
			7/15/13	273,000				
School Additions & Renovations	3/1/2003	27,564,000	3/1/2011	1,115,000	3.80%	23,794,000	1,055,000	22,739,000
			3/1/2012	1,175,000				
			3/1/2013	1,240,000				
			3/1/2014	1,315,000				
			3/1/2015	1,655,000				
			3/1/2016	1,730,000				
			3/1/2017	1,810,000				
			3/1/2018	1,890,000				
			3/1/2019	1,975,000				
			3/1/2020	2,065,000				
			3/1/2021	2,155,000				
			3/1/2022	2,255,000				
			3/1/2023	2,359,000				
Pension Refunding	2/15/2003	\$ 3,270,000	7/15/2010	230,000	4.30%	2,100,000	220,000	1,880,000
			7/15/2011	240,000				
			7/15/2012	255,000				
			7/15/2013	265,000				
			7/15/2014	280,000				
			7/15/2015	295,000				
7/15/2016	315,000							
					4.40%			

LAWRENCE TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,609,547		1,609,547	1,609,547	
Miscellaneous	796,750		796,750	777,833	(18,917)
State Aid	774,083		774,083	774,083	-
Total Revenues	<u>3,180,380</u>	<u>-</u>	<u>3,180,380</u>	<u>3,161,463</u>	<u>(18,917)</u>
Expenditures:					
Regular Debt Service:					
Interest - Early Retirement on Bonds	96,765		96,765	96,765	-
Interest	2,015,804		2,015,804	2,015,804	-
Redemption of Principal	2,490,000		2,490,000	2,490,000	-
Total Regular Debt Service	<u>4,602,569</u>	<u>-</u>	<u>4,602,569</u>	<u>4,602,569</u>	<u>-</u>
Total Expenditures	<u>4,602,569</u>	<u>-</u>	<u>4,602,569</u>	<u>4,602,569</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,422,189)</u>	<u>-</u>	<u>(1,422,189)</u>	<u>(1,441,106)</u>	<u>(18,917)</u>
Other Financing Sources:					
Transfer from Capital Projects	1,100,000	117,555	1,217,555	1,241,882	24,327
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	<u>(322,189)</u>	<u>117,555</u>	<u>(204,634)</u>	<u>(199,224)</u>	<u>5,410</u>
Fund Balance July 1	204,393	-	204,393	204,393	
Fund Balance June 30	<u>\$ (117,796)</u>	<u>117,555</u>	<u>(241)</u>	<u>5,169</u>	<u>5,410</u>

STATISTICAL SECTION

(Unaudited)

LAWRENCE TOWNSHIP BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST TWO FISCAL YEARS

J-1

	<u>2010</u>	<u>2009</u>
Governmental Activities		
Invested in Capital Assets, net of related Debt	\$ 98,860,105	\$ 98,558,466
Restricted	\$ 11,583,512	\$ 12,546,081
Unrestricted	\$ (1,348,744)	\$ (1,400,352)
Total Governmental Activities	<u>\$ 109,094,873</u>	<u>\$ 109,704,195</u>
Business Type Activities		
Invested in Capital Assets, net of related Debt	\$ 385,909	\$ 113,096
Unrestricted	\$ 567,891	\$ 363,590
Total Business Type Activities	<u>\$ 953,800</u>	<u>\$ 476,686</u>
District-wide		
Invested in Capital Assets, net of related Debt	\$ 98,246,014	\$ 98,671,562
Restricted	\$ 11,583,512	\$ 12,546,081
Unrestricted	\$ (780,853)	\$ (1,036,762)
Total District Assets	<u>\$ 109,048,673</u>	<u>\$ 110,180,881</u>

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST TWO FISCAL YEARS
J-2

	2010	2009
Expenses:		
Governmental Activities	\$ 73,406,804	\$ 72,507,209
Business Type Activities	\$ 1,715,265	\$ 1,993,782
Total District Expenses	\$ 75,122,069	\$ 74,500,991
Program Revenues:		
Governmental Activities	\$ 2,486,880	\$ 2,420,591
Business Type Activities	\$ 1,872,470	\$ 1,917,066
Total District Program Revenues	\$ 4,359,350	\$ 4,337,657
Net (Expense):		
Governmental Activities	\$ (70,919,924)	\$ (70,086,618)
Business Type Activities	\$ 157,205	\$ (76,716)
Total District-wide Net Expense	\$ (70,762,719)	\$ (70,163,334)
General Revenues and Other Changes in Net Assets:		
Governmental Activities	\$ 69,709,623	\$ 69,908,274
Business Type Activities	\$ -	\$ -
Total District-wide	\$ 69,709,623	\$ 69,908,274
Change in Net Assets:		
Governmental Activities	\$ (1,210,301)	\$ (178,344)
Business Type Activities	\$ 157,205	\$ (76,716)
Total District	\$ (1,053,096)	\$ (255,060)

LAWRENCE TOWNSHIP BOARD OF EDUCATION
FUND BALANCES, GOVERNMENT FUNDS
LAST THREE FISCAL YEARS

J-3

	2010	2009	2008
General Fund:			
Reserved: Excess Surplus	\$ 848,095	\$ 1,531,353	\$ 1,416,348
Undesignated prior to Excess Calc.	\$ 2,334,502	\$ 2,807,852	\$ 2,782,925
Total Unreserved Surplus	\$ 3,182,597	\$ 1,276,499	\$ 1,366,577
All Other Governmental Funds:			
Unreserved, Reported in:			
Capital Projects Fund	\$ -	\$ -	\$ -
Debt Service Fund	\$ -	\$ -	\$ -
Total All Other Government Funds	\$ 3,182,597	\$ 1,276,499	\$ 1,366,577

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

J-4

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction:										
Regular	\$14,259,759	\$15,613,525	\$16,443,896	\$16,809,192	\$16,869,897	\$17,570,214	\$18,068,238	\$19,010,331	\$19,066,883	\$18,774,584
Special	2,562,131	2,877,054	3,078,626	3,281,525	3,326,160	3,456,064	3,654,277	4,412,744	4,903,782	5,394,166
Other	1,232,526	1,327,417	1,212,589	1,289,313	1,202,953	1,454,721	1,434,813	1,567,140	1,906,306	1,987,743
School-Sponsored/Other Instructional	450,608	466,480	699,680	757,922	766,716	777,473	873,045	856,358	890,737	911,469
Total Instruction	18,505,024	20,284,476	21,434,801	22,137,952	22,165,726	23,258,471	24,030,373	25,846,573	26,787,708	27,067,983
Community Services	10,997	10,897		11,023		12,338	211,075	125,842	104,588	125,721
Undistributed:										
Instruction	3,523,777	3,453,467	3,195,447	4,098,113	4,018,450	4,134,681	3,541,327	2,646,006	1,732,866	1,717,260
Support Services-Students	3,599,497	3,794,869	4,444,663	5,154,882	5,372,784	6,036,498	6,255,149	6,584,887	6,950,179	7,252,675
Support Services-Instructional Staff	758,886	895,949	788,640	1,210,160	939,422	882,172	1,448,447	1,571,371	1,608,936	1,611,659
Support Services-Instructional Staff Training	34,123	64,784	98,783	171,595	276,405	269,366	266,810	252,657	121,969	183,341
General Administration	820,372	926,490	869,404	1,083,388	1,033,074	869,078	602,606	628,622	662,475	584,913
School Administration	1,861,025	1,813,573	1,912,303	1,853,432	1,981,311	2,185,123	2,299,567	2,408,641	2,465,813	2,479,038
Operations and Maintenance	3,444,757	3,561,388	4,036,691	4,299,333	4,688,200	5,377,245	6,118,855	6,049,527	6,444,722	6,101,268
Student Transportation	2,165,370	2,233,698	2,287,160	2,788,876	2,903,950	3,125,234	3,307,783	2,910,590	2,749,291	2,493,138
Business and Other Support Services:										
Lease Purchase Interest	49,258	34,386	27,404	16,035	8,505	0	0	0	0	0
Employee Benefits	4,958,164	5,602,081	6,003,852	6,746,288	7,273,894	7,870,272	8,574,415	9,105,450	9,322,546	10,480,228
Other	576,629	744,558	1,025,971	1,092,434	1,251,649	1,349,437	1,615,525	1,654,203	1,585,794	1,369,659
Food Service	10,860	24,403	0	0	0	0	0	0	0	0
On-behalf TPAF Pension Contributions	461,835	0	895,101	1,329,860	1,509,656	1,899,321	3,715,794	3,931,439	1,880,866	1,982,178
Reimbursed TPAF Social Security Contr.	1,644,545	1,893,332	1,747,177	1,828,752	1,826,742	1,917,774	2,074,353	2,168,878	2,279,994	2,465,831
Total Undistributed	23,909,098	24,785,978	27,352,596	31,673,118	33,084,042	35,916,201	39,820,631	39,912,271	37,825,472	38,721,188
Capital Outlay:										
Equipment	113,319	45,172	110,956	100,347	56,671	38,274	133,831	284,853	840,539	83,091
Facilities Acq. and Construction Services	807,413	880,843	693,220	252,475	230,745	1,258,523	840,347	231,255	0	0
Total Capital Outlay	920,732	926,015	804,176	352,822	287,416	1,296,797	974,178	516,108	840,539	83,091
Special Schools	14,469	13,665	6,848	6,148	5,932	0	0	0	0	0
Total General Fund Expenditures	43,367,939	46,021,031	49,588,421	54,181,062	55,543,116	60,483,806	65,036,257	66,400,794	65,558,306	65,997,984

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

J-5

General Fund

	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Total</u>
2001	236,940	214,025	450,965
2002	82,132	154,625	236,757
2003	54,950	114,516	169,466
2004	30,265	155,335	185,600
2005	120,513	66,243	186,756
2006	369,282	135,965	505,247
2007	622,215	29,920	652,135
2008	447,616	133,877	581,493
2009	149,941	182,686	332,627
2010	51,248	68,362	119,610

LAWRENCE TOWNSHIP BOARD OF EDUCATION
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

J-6

<u>Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Equalized FullCash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2001	\$2,484,938,300	\$2,567,615,520	96.78%
2002	\$2,554,498,658	\$2,841,173,015	89.91%
2003	\$2,612,998,236	\$3,113,677,593	83.92%
2004	\$2,636,187,803	\$3,501,843,522	75.28%
2005	\$2,661,054,430	\$4,136,568,366	64.33%
2006	\$2,684,895,757	\$4,425,409,192	60.67%
2007	\$2,695,162,162	\$5,070,860,135	53.15%
2008	\$2,691,265,288	\$5,620,854,820	47.88%
2009	\$2,689,270,823	\$5,657,051,260	47.54%
2010	\$2,603,782,710	\$53,399,997,354	48.76%

LAWRENCE TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
PER \$100 OF ASSESSED VALUATION

J-7

Assessment <u>Year</u>	Lawrence <u>School District</u>	Lawrence <u>Township</u>	Mercer <u>County</u>	<u>TOTAL</u>
2001	\$1.50	\$0.50	\$0.67	\$2.67
2002	\$1.57	\$0.54	\$0.75	\$2.86
2003	\$1.67	\$0.55	\$0.77	\$2.99
2004	\$1.82	\$0.59	\$0.83	\$3.24
2005	\$1.96	\$0.62	\$0.83	\$3.41
2006	\$2.05	\$0.65	\$0.80	\$3.50
2007	\$2.13	\$0.70	\$0.97	\$3.80
2008	\$2.19	\$0.74	\$1.07	\$4.01
2009	\$2.21	\$0.75	\$1.11	\$4.07
2010	\$2.30	\$0.81	\$1.14	\$4.24

LAWRENCE TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED DECEMBER 31, 2009

J-8

<u>Taxpayer</u>	Assessed Valuation <u>2009</u>	As a % of total Net Assessed <u>Taxable Valuation</u>
1. Bristol-Myers Squibb	\$188,918,700	7.26%
2. Town Run Associates/Avalon Properties	70,257,300	2.70%
3. Education Testing Service	66,687,200	2.56%
4. Brandywine Operating Partnership	56,978,800	2.19%
5. Mercer Mall	46,979,800	1.80%
6. Lawrence Associates C/O KAVCO	46,104,500	1.77%
7. Lawrence Shopping Center	21,857,100	0.84%
8. Princeton Pike Office Park	15,375,000	0.59%
9. River Real Estate	15,128,400	0.58%
10. Yorkshire Meadows, LLC	15,117,500	0.58%

LAWRENCE TOWNSHIP PUBLIC SCHOOLS
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS

J-9

<u>Year Ended</u> <u>December 31,</u>	<u>Total Tax</u> <u>Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percent of Tax</u> <u>Levy Collected</u>
2001	\$67,780,018.59	\$66,634,402.83	98.31%
2002	\$74,154,450.26	\$72,743,185.65	98.10%
2003	\$79,215,849.33	\$77,682,531.53	98.06%
2004	\$86,259,298.00	\$84,417,861.00	97.87%
2005	\$95,631,768.53	\$94,349,958.12	98.66%
2006	\$98,877,251.87	\$97,724,918.98	98.83%
2007	\$103,069,578.35	\$101,304,332.57	98.29%
2008	\$108,201,491.00	\$106,109,644.00	98.07%
2009	\$109,807,601.66	\$107,854,632.35	98.22%

LAWRENCE TOWNSHIP BOARD OF EDUCATION
RATIO OF OUTSTANDING DEBT BY TYPE

J-10

Fiscal Year Ended June 30,	General Obligation Bonds	Other Debt	Total Debt Per District	Population	Per Capita
2001	8,992,897	-	8,992,897	30,066	\$ 299
2002	7,484,752	-	7,484,752	30,372	\$ 246
2003	5,920,100	-	5,920,100	30,914	\$ 192
2004	34,899,455	-	34,899,455	31,316	\$ 1,114
2005	32,872,000	-	32,872,000	31,401	\$ 1,047
2006	31,562,000	-	31,562,000	31,401	\$ 1,005
2007	39,997,000	-	39,997,000	31,401	\$ 1,274
2008	48,700,000	-	48,700,000	31,863	\$ 1,528
2009	45,895,000	-	45,895,000	32,081	\$ 1,431
2010	43,405,000	-	43,405,000	32,081	\$ 1,353

LAWRENCE TOWNSHIP BOARD OF EDUCATION
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

J-11

Fiscal Year Ended June 30,	School District Population	Net Assessed Valuation Taxable	Net Bonded Debt of District	Ratio of Bonded Debt to Assessed		Net Bonded Debt Per Capita
				Value	Value	
1997	27,495	\$2,286,926,687	\$5,255,965	0.23%		\$191
1998	27,526	\$2,310,523,879	\$4,359,679	0.19%		\$158
1999	27,669	\$2,327,572,155	\$11,303,720	0.49%		\$409
2000	29,159	\$2,394,220,622	\$10,384,306	0.43%		\$356
2001	30,066	\$2,269,547,825	\$8,992,897	0.40%		\$299
2002	30,372	\$2,284,680,763	\$7,484,752	0.33%		\$246
2003	30,914	\$2,612,998,236	\$5,920,100	0.23%		\$192
2004	31,316	\$2,636,187,803	\$34,899,455	1.32%		\$1,114
2005	31,401	\$2,661,054,430	\$32,872,000	1.24%		\$1,047
2006	32,081	\$2,684,895,757	\$31,562,000	1.18%		\$984
2007	32,485	\$2,695,162,162	\$39,997,000	1.48%		\$1,231
2008	32,081	\$2,691,265,286	\$48,700,000	1.81%		\$1,518
2009	32,081	\$2,688,130,426	\$45,895,000	1.71%		\$1,431
2010	32,081	\$2,603,782,710	\$43,405,000	1.67%		\$1,353

Source: Abstract of Ratables, County Board of Taxation.
 School District records.

LAWRENCE TOWNSHIP BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE FISCAL YEAR ENDED
UNAUDITED

J-12

Net Direct Debt of School District as of December 31, 2010

Net Overlapping Debt of School District:

Lawrence Township	\$0
Mercer County - Township's Share	
Ewing-Lawrence Sewer Authority - Township's Share	
Mercer County Improvement Authority-Township's Share	

Total Direct and Overlapping Bonded Debt as of December 31, 2010

\$0

LAWRENCE TOWNSHIP BOARD OF EDUCATION
COMPUTATION OF LEGAL DEBT MARGIN

J-13

Year	Equalized Valuation Basis
2010	\$ 5,366,655,629
2009	\$ 5,668,202,768
2008	\$ 5,630,262,109
2007	\$ 5,621,784,091
2006	\$ 5,044,901,266
2005	\$ 4,378,931,965
	\$31,710,737,828

**Average Equalized Valuation of
Taxable Property**

\$ 5,285,122,971

School Borrowing Margin

\$ 211,404,919

**Net Bonded School Debt as
of June 30, 2010**

\$ 43,405,000

School Borrowing Margin Available

\$ 167,999,919

LAWRENCE TOWNSHIP PUBLIC SCHOOLS
DEMOGRAPHIC STATISTICS

J-14

<u>Year Ended December 31,</u>	<u>Lawrence Township Unemployment Rate</u>	<u>Mercer County Per Capita Income</u>	<u>Population</u>
2001	2.0%	40,437	30,066
2002	2.8%	41,552	30,372
2003	2.8%	42,165	30,914
2004	2.3%	43,657	31,316
2005	2.2%	45,923	31,401
2006	2.0%	49,195	32,081
2007	2.7%	52,255	31,863
2008	3.8%	36,763	31,645
2009	6.6%	36,215	31,660

LAWRENCE TOWNSHIP BOARD OF EDUCATION

Operating Statistics

Principal Employers

Exhibit J-15

2009

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

2010

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

No Data Available

Board of Education, Township of Lawrence, County of Mercer
Full-Time Equivalent District Employees by Function/Program

	Exhibit J-16									
	Last Ten Fiscal Years									
	Unaudited									
<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction										
Regular	261	263	263	252	272	270	280	297	286	291
Special Education	42	34	48	46	51	69	71	63	66	64
Other Special Education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services										
Student & instruction related services	40	45	44	44	52	57	59	63	60	66
General administration	3	4	4	3	3	3	3	4	4	4
School administrative services	10	11	11	12	13	13	13	13	13	13
Other administrative services	11	10	10	8	8	10	10	12	11	13
Central Services	37	44	48	43	45	53	53	47	45	23
Admin. Information Technology	7	6	7	7	9	7	7	9	9	12
Plant operations & maintenance	45	48	51	47	48	60	63	53	52	52
Pupil Transportation								3	5	3
Other support services	87	80	73	71	76	80	85	104	95	110
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	1	1	1
Child Care	-	-	-	-	-	-	-	-	-	-
Total	541	544	557	532	575	623	644	669	647	652

LAWRENCE TOWNSHIP BOARD OF EDUCATION

Operating Statistics

Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Operating Expenditures (1)	Cost Per Pupil	Percentile Change	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
2001	43,367,939	\$11,169	6.56%	3,883	3,712	95.6%
2002	46,021,031	\$11,624	3.92%	3,959	3,779	95.4%
2003	49,598,421	\$12,109	4.00%	4,096	3,885	94.8%
2004	54,181,062	\$12,870	5.91%	4,210	4,007	95.2%
2005	55,543,116	\$13,100	1.76%	4,240	4,002	94.4%
2006	60,483,806	\$14,442	9.29%	4,188	3,963	94.6%
2007	65,036,257	\$16,324	11.53%	3,984	3,791	95.2%
2008	66,400,794	\$16,969	3.80%	3,913	3,738	95.5%
2009	61,292,861	\$15,746	-7.77%	3,893	3,709	95.3%
2010	61,655,306	\$15,698	-0.31%	3,927	3,754	95.6%

Note: Enrollment based on annual final reported attendance figures

1 Operating expenditures are funds 11, 12 & 13

2 Teaching staff includes only full time equivalents of certified staff

J-18 & J-19
LAWRENCE TOWNSHIP BOARD OF EDUCATION

BUILDING INFORMATION

FISCAL YEARS ENDING JUNE 30, 2010

REQUIRED MAINTENANCE EXPENDITURES

<u>SCHOOL:</u>	<u>SQUARE FEET</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
LAWRENCE HIGH SCHOOL	240,388	\$ 87,066	\$ 87,364	\$ 174,633	\$ 224,297	199,589	172,356
LAWRENCE MIDDLE SCHOOL	86,123	\$ 29,645	\$ 79,144	\$ 61,239	\$ 27,537	51,555	89,464
BEN FRANKLIN	62,829	\$ 16,057	\$ 30,161	\$ 33,962	\$ 20,280	33,869	25,168
ELDRIDGE PARK	34,673	\$ 81,792	\$ 24,089	\$ 25,539	\$ 47,677	55,030	25,987
LAWRENCE INTERMEDIATE	100,742	\$ 53,124	\$ 139,321	\$ 40,120	\$ 37,009	48,241	33,954
LAWRENCEVILLE ELEMENTARY	51,684	\$ 34,867	\$ 53,135	\$ 34,258	\$ 13,678	109,904	54,322
SLACKWOOD ELEMENTARY	43,518	\$ 41,284	\$ 37,085	\$ 54,525	\$ 17,466	55,800	33,338

LAWRENCE TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2010

	<u>Coverage</u>	<u>Deductible</u>	<u>Company</u>
<u>Multi Peril Package Policy</u>			
<u>Property</u>			
Blanket Building & Contents	131,083,929	5,000	NJSBAIG
Extra Expense	1,000,000		
Musical instruments(included in blanket bldg & contents) included			
Miscellaneous Equip (included in blanket bldg & contents included			
Computer Equipment (Included in Blanket Bldg & Conter included			
Demoiition /Incr. Cost of Construction	5,000,000		
<u>Energy Systems</u>			
Spoilage	100,000,000		
<u>Commercial Liability</u>			
			NJSBAIG
Bodily Injury /Property Damage	11,000,000		
Fire Damage (Legal)	11,000,000		
Medical Expense	1000/10,000		
Employee Benefits Liability	11,000,000		
<u>Crime</u>			
Money & Securities	50,000		NJSBAIG
Employee Dishonesty	1,000,000		NJSBAIG
<u>Business Auto</u>			
Bodily Injury & Property Damage	11,000,000		NJSBAIG
Personal Injury Protection	BASIC		
Medical Payments	10,000		
Uninsured/Underinsured	1,000,000		
Comprehensive	1,000		
Collision	1,000		
Garagekeepers	1,000,000		
<u>School Board Legal Liability</u>			
Section "A"	11,000,000		NJSBAIG
Section "B"	100,000/300,000		
Retention	15,000		
<u>Catastrophe Excess</u>			
Limit of Liability	50,000,000		Firemans Fund NJSBAIG
<u>Workers Compensation Policy</u>			
Section "A"	Statutory		
Section "B"			
Each Accident	2,000,000		
Each Employee	2,000,000		
<u>Supplemental W/C</u>			
Maximum Benefits	1750 PER WEEK		CHUBB
<u>Student Accident</u>			
Compulsory(including Athletics)	5,000,000		MCCLOSKEY/NJSBAIG
<u>Bonds</u>			
Treasurer of School Monies	325,000		SELECTIVE
Business Administrator	100,000		SELECTIVE
<u>Environmental Impairment Liability</u>			
Limit of liability	1,000,000		CHUBB
	3,000,000		

SINGLE AUDIT SECTION

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

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

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

K-1

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

We have audited the general-purpose financial statements of the Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 8, 2010. We conducted our audit 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lawrence Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lawrence Township Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lawrence Township Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of general-purpose 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 Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Lawrence Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 8, 2010

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH

MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

IN ACCORDANCE WITH OMB CIRCULAR A-133 AND

NEW JERSEY OMB CIRCULAR 04-04

K-2

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

Compliance

We have audited the compliance of the Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Lawrence Township Board of Education's management. Our responsibility is to express an opinion on the Lawrence Township Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB 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*. 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Lawrence Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Lawrence Township Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Lawrence Township School District, in the County of Mercer, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the Board of Education of the Lawrence Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Lawrence Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lawrence Township Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Lawrence Township Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lawrence Township Board of Education's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Lawrence Township Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart
 Licensed Public School Accountant
 No. 322
 Robert A. Hulsart and Company

SCHEDULES OF FEDERAL AND STATE AWARDS

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant or State Project Number	Program or Award Amount	Grant Period		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Balance at June 30, 2010		
				From	To					(Accounts Receivable)	Deferred Revenue	Due to Grantor at
U.S. Department of Education												
Passed Through State Department of Education:												
Special Revenue Fund.												
Title I	84-010	NCLB10	\$ 161,720	9/1/2009	8/31/2010	-	74,372	(131,927)	-	(57,555)	-	
Title I	84-010	NCLB09	283,094	9/1/2008	8/31/2009	(121,648)	241,900	(120,252)	-	-	-	
Title SIA	84-010	NCLB08	14,911	9/1/2007	8/31/2008	-	-	(1)	-	-	-	
Title SIA	84-010	NCLB09	106,774	9/1/2008	8/31/2009	(15,756)	81,330	(91,018)	-	(25,444)	-	
Title SIA	84-010	NCLB10	10,540	9/1/2009	8/31/2010	(17,216)	22,490	(60,354)	-	(5,598)	-	
Title IIA	84-367	NCLB09	88,652	9/1/2008	8/31/2009	-	62,359	(62,359)	-	(55,080)	-	
Title IIA	84-367	NCLB10	87,653	9/1/2009	8/31/2010	(1,920)	2,081	(163)	-	(2)	-	
Title IID	84-318	NCLB09	2,083	9/1/2008	8/31/2009	-	1,457	(1,454)	-	-	3	
Title IID	84-318	NCLB10	1,546	9/1/2009	8/31/2010	-	-	(582,544)	-	(54)	-	
Title IID ARRA Ed. Technology	84-386A	NCLB10	1,429,662	9/1/2009	8/31/2010	(29,869)	29,880	(65)	-	-	7,009	
Title III	84-365	NCLB 09	33,559	9/1/2008	8/31/2009	-	23,560	(16,551)	-	-	-	
Title III	84-365	NCLB10	26,178	9/1/2009	8/31/2010	-	7,353	(7,353)	-	-	-	
Title IV	84-186A	NCLB10	8,206	9/1/2009	8/31/2010	(3,166)	6,536	(8,405)	-	(5,035)	-	
Title IV	84-186A	NCLB09	10,786	9/1/2008	8/31/2009	14	-	(14)	-	-	-	
Title IV	84-186A	NCLB08	11,996	9/1/2007	8/31/2008	(12,694)	12,694	-	-	(3,624)	-	
Perkins	84-243A	NA	12,694	9/1/2008	8/31/2009	-	8,304	(11,928)	-	-	-	
Perkins	84-243A	NA	11,928	9/1/2009	8/31/2010	-	-	(123,880)	-	-	-	
IDEA Basic	84-027	FT08	1,174,197	9/1/2007	8/31/2008	123,880	924,171	(836,782)	-	(1,744)	-	
IDEA Basic	84-027	FT09	1,159,614	9/1/2008	8/31/2009	(925,915)	623,881	(212,901)	-	(6,027)	-	
IDEA Basic	84-027	FT10	1,113,818	9/1/2009	8/31/2010	-	19,658	(25,685)	-	-	-	
IDEA Preschool	84-173	FT10	37,872	9/1/2009	8/31/2010	(16,893)	16,893	(6,419)	-	-	-	
IDEA Preschool	84-173	FT09	38,439	9/1/2008	8/31/2009	6,419	-	-	-	-	-	
IDEA Preschool	84-173	FT08	38,439	9/1/2007	8/31/2008	-	51,467	(567,647)	-	(516,180)	-	
ARRA IDEA Basic	84-391	ARRA10	1,170,897	9/1/2009	8/31/2010	-	2,210,386	(6,629)	-	(6,629)	-	
ARRA IDEA Preschool	84-392	ARRA10	42,312	9/1/2009	8/31/2010	(1,014,763)	-	(2,667,028)	-	(1,478,417)	7,012	
Total U.S. Department of Education												
U.S. Department of Agriculture -												
Passed Through State Department of Education:												
National School Lunch Program	10-555	N/A	290,423	7/1/2009	6/30/2010	-	269,132	(290,423)	-	(21,291)	-	
National School Lunch Program	10-555	N/A	255,651	7/1/2008	6/30/2009	(51,204)	51,204	-	-	-	-	
School Breakfast Program	10-553	N/A	4,602	7/1/2009	6/30/2010	-	4,206	(4,602)	-	(396)	-	
School Breakfast Program	10-553	N/A	5,134	7/1/2008	6/30/2009	(1,108)	1,108	-	-	-	-	
Food Distribution Program	10-550	N/A	59,315	7/1/2009	6/30/2010	-	59,315	(59,315)	-	(21,687)	-	
Total U.S. Dept. of Agriculture						(52,312)	384,965	(354,340)	-	-	-	
Total Federal Financial Assistance												
			\$	(1,067,075)	-	2,595,351	(3,021,368)	(1,500,104)	-	7,012	-	

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Schedule B
K-4

State Grantor/Program State Department of Education	Grant or State Project Number	Program or Award Amount	Grant Period		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor at June 30, 2010	MEMO	
			From	To									Budgetary Expenditures	Total Cumulative Expenditures
General Fund	10-495-034-5120-014	\$	7/1/2009	6/30/10	-	861,526	(861,526)	-	-	-	-	-	(91,582)	861,526
Special Education Aid	10-495-034-5120-089	1,683,222	7/1/2009	6/30/10	-	1,683,222	(1,683,222)	-	-	-	-	-	(178,930)	1,683,222
Extraordinary Aid	09-495-034-5120-084	248,386	7/1/2009	6/30/10	-	248,386	(248,386)	-	-	-	-	-	(20,404)	248,386
Extraordinary Aid	09-495-034-5120-473	241,640	7/1/2009	6/30/10	(241,640)	-	-	-	-	-	-	-	-	-
Extraordinary Aid	10-495-034-5120-473	214,606	7/1/2009	6/30/10	-	214,606	(214,606)	-	(214,606)	-	-	-	-	214,606
Adjustment Aid	10-495-034-5120-085	700,181	7/1/2009	6/30/10	-	700,181	(700,181)	-	-	-	-	-	(74,430)	700,181
Transportation Cost in Excess	10-495-034-5120-014	38,370	7/1/2009	6/30/10	(47,035)	47,035	(38,370)	-	(38,370)	-	-	-	-	38,370
Transportation Cost in Excess	09-495-034-5095-001	47,035	7/1/2008	6/30/09	-	-	-	-	-	-	-	-	-	-
On-Benefit TPAF Pension Aid	10-100-034-5095-001	1,932,178	7/1/2009	6/30/10	-	1,932,178	(1,932,178)	-	-	-	-	-	-	1,932,178
Reimbursed Social Security Aid	10-100-034-5095-002	2,465,831	7/1/2009	6/30/10	-	2,348,959	(2,465,831)	-	(116,872)	-	-	-	-	2,465,831
Reimbursed Social Security Aid	09-100-034-5095-002	2,279,994	7/1/2008	6/30/09	(401,813)	113,138	(8,144,300)	-	(369,848)	-	-	-	(371,346)	8,144,300
Total General Fund						8,176,265	(8,144,300)	-	-	-	-	-	-	-
Special Revenue														
ELL Grant	09-495-034-5120-062	132,060	7/1/2008	6/30/09	30,531	13,200	(43,751)	-	-	-	-	-	-	43,751
Preschool Education	10-495-034-5120-086	85,800	7/1/2009	6/30/10	-	85,800	(85,800)	-	-	-	-	-	(9,121)	85,800
N.J. Nonpublic Aid														
Textbooks	10-100-034-5120-064	99,473	7/1/2009	6/30/10	-	99,473	(97,574)	(20,478)	-	-	-	1,899	-	97,574
Textbooks	09-100-034-5120-064	108,661	7/1/2008	6/30/09	20,478	-	-	-	-	-	-	-	-	-
Nursing Services	10-100-034-5120-070	117,962	7/1/2009	6/30/10	-	117,962	(117,962)	-	-	-	-	-	-	117,962
Nursing Services	09-100-034-5120-067	4,162	7/1/2008	6/30/09	1	-	-	(1)	-	-	-	-	-	-
English as a Second Language	10-100-034-5120-067	5,774	7/1/2009	6/30/10	-	5,774	(4,894)	-	-	-	-	880	-	4,894
English as a Second Language	10-100-034-5120-066	385,798	7/1/2009	6/30/10	-	385,798	(104,127)	(238,030)	-	-	-	281,671	-	104,127
Compensatory Education	09-100-034-5120-067	314,524	7/1/2008	6/30/09	228,030	-	-	-	-	-	-	-	-	-
Compensatory Education	10-100-034-5120-067	23,490	7/1/2009	6/30/10	-	23,490	(23,490)	-	-	(5,907)	-	-	-	23,490
Transportation	10-100-034-5120-067	5,907	7/1/2009	6/30/10	-	5,907	(5,907)	-	-	-	-	-	-	5,907
Home Instruction	09-100-034-5120-067	7,836	7/1/2008	6/30/09	(7,836)	7,836	-	-	-	-	-	-	-	-
Home Instruction	09-100-034-5120-066	125,311	7/1/2008	6/30/09	1,707	-	-	(1,707)	-	-	-	-	-	-
Examination and Classification	10-100-034-5120-066	134,897	7/1/2009	6/30/10	-	134,897	(134,897)	-	-	-	-	-	-	134,897
Examination and Classification	09-100-034-5120-066	99,510	7/1/2008	6/30/09	37,386	-	-	(37,386)	-	-	-	-	-	-
Corrective Speech	10-100-034-5120-066	69,047	7/1/2009	6/30/10	-	69,047	(53,334)	-	-	-	15,693	-	-	53,334
Corrective Speech	09-100-034-5120-066	97,643	7/1/2009	6/30/10	-	97,643	(93,896)	-	-	-	3,747	-	-	93,896
Supplementary Instruction	10-100-034-5120-066	84,169	7/1/2008	6/30/09	1,073	-	-	(1,073)	-	-	-	-	-	-
Supplementary Instruction	09-100-034-5120-066	76,000	7/1/2008	6/30/09	14,386	-	-	(14,386)	-	-	-	-	-	-
Technology	09-100-034-5120-373	325,776	7/1/2008	6/30/09	325,776	-	(765,652)	(5,907)	(5,907)	-	-	-	(9,121)	765,652
Total Special Revenue Fund						1,040,930	(765,652)	-	(5,907)	-	-	303,899	-	303,899
Debt Service														
Debt Service Aid Type II	10-495-034-5120-125	774,083	7/1/2009	6/30/10	-	774,083	(774,083)	-	-	-	-	-	-	774,083
Enterprise Fund														
School Breakfast Program	10-100-010-3350-021	343	7/1/2009	6/30/10	-	313	(343)	-	(30)	-	-	-	-	343
School Breakfast Program	09-100-010-3350-021	415	7/1/2008	6/30/09	(92)	92	-	-	-	-	-	-	-	-
State Share	10-100-010-3350-023	17,086	7/1/2009	6/30/10	-	15,841	(17,086)	-	(1,245)	-	-	-	-	17,086
State Share	09-100-010-3350-023	16,252	7/1/2008	6/30/09	(5,257)	3,257	-	-	-	-	-	-	-	-
National School Lunch Program	10-100-010-3350-023	16,252	7/1/2008	6/30/09	(5,257)	19,503	(17,429)	-	(1,275)	-	-	-	-	17,429
State Share	09-100-010-3350-023	16,252	7/1/2008	6/30/09	(5,257)	19,503	(17,429)	-	(1,275)	-	-	-	-	-
Total Enterprise Fund						10,010,771	(9,701,464)	-	(303,061)	-	-	303,899	(380,467)	9,701,464
Total State Financial Assistance														

See accompanying Notes to Schedules of Federal Awards and State Financial Assistance

BOARD OF EDUCATION

K-5

LAWRENCE TOWNSHIP SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2010****NOTE 1: General**

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

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(19,337) for the general fund and \$(1,143,322) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	8,144,300	8,144,300
Special Revenue Fund	2,667,028	765,652	3,432,680
Debt Service Fund		774,083	774,083
Food Service Fund	<u>354,340</u>	<u>17,429</u>	<u>371,769</u>
Total Financial Assistance	<u>\$ 3,021,368</u>	<u>9,701,464</u>	<u>12,722,832</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2010. 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, 2010. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

LAWRENCE TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 1 - Summary of Auditor's Results

Financial Statement Section

Unqualified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

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

_____ Yes x No

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

_____ Yes x No

Federal Awards Section

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

\$300,000

(E) Auditee qualified as low-risk auditee?

 x Yes _____ No

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

Unqualified

(G) Internal control over compliance:

1) Material weakness(es) identified?

_____ Yes x No

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

_____ Yes x No

(H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?

_____ Yes x No

(I) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027

I.D.E.A. Part B

84.391

I.D.E.A. Part B-ARRA

84.386

Title IID-Talent 21-ARRA

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010*Part 2 - Schedule of Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2010*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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Prior Audit Findings:

None