

LUMBERTON TOWNSHIP BOARD OF EDUCATION

Lumberton, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

LUMBERTON TOWNSHIP BOARD OF EDUCATION

LUMBERTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

**Lumberton Township Board of Education
Finance Department**

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INTRODUCTORY SECTION

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Lumberton Township Board of Education
33 Municipal Drive
Lumberton, NJ 08048

Joseph Langowski
Superintendent

Thomas J. Fanuka
Business Administrator

December 4, 2015

Honorable President and
Members of the Board of Education
Lumberton Township School District
Burlington County, New Jersey
33 Municipal Drive
Lumberton, NJ 08048

Dear Board Members:

The comprehensive annual financial report of the Lumberton Township School District for the fiscal year ended June 30, 2015 is submitted herewith. The report was prepared by the District's Board Office. The responsibility for the financial and other data lies with the Superintendent and the Business Administrator. We believe all the data presented is accurate in all material respects. This information is presented in a manner that fairly represents the fiscal soundness of the Lumberton Township School District. All disclosures needed to maximize user comprehension of the contents have been included in this document.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principle officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of 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 Non-Profit Organizations", and the New Jersey OMB's Circular 04-04 and/or 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid".

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Lumberton Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Lumberton Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for handicapped children. The District completed the 2014-2015 fiscal year with an enrollment of students, which represents students below the previous year's enrollment. These numbers include only in-district students. Those students placed out-of-district are not included in these totals. The following details the changes in the student enrollment of the District over the last eight years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	1,501	(0.20%)
2013-14	1,504	(0.17%)
2012-13	1,530	(7.32%)
2011-12	1,642	(2.55%)
2010-11	1,685	(0.12%)
2009-10	1,687	(1.17%)
2008-09	1,707	(1.61%)
2007-08	1,735	(0.86%)

2) ECONOMIC CONDITION AND OUTLOOK: The Lumberton Township has experienced an end to the development and expansion of the township. The downward turn of the national, state and local economies has hit Lumberton Township as well as the rest of the country. There has been little to no new business development in Lumberton Township. With the previous additions of Wal-Mart, Lowe's and a large Technology Center, Lumberton Township is continuing to attempt to attract additional businesses to its previously rural and residential town. In fact, Wal-Mart is continuing to seek an expansion to their current store to a Super Wal-Mart to include food sales. To attract the businesses in the town, the officials have agreed to abate taxes for a period. We are currently in the end of that period for some businesses. The existing residential developments are built out. There are no more foreseeable major developments planned in the immediate future. The Township Officials are still working to attract businesses to move/develop within Lumberton Township.

There are some very small parcels of land in this township that may be utilized for residential developments. The township committee along with the township's economic development members is attempting to find other uses of the land, including open space and outright purchase.

3) MAJOR INITIATIVES: To meet the needs of a continuously growing community. In the fall of 2006, the District contracted The Design Collaborative architectural firm to update the Long-Range Facility Plan required by the state of New Jersey every five (5) years from the state adoption date. The State of New Jersey approved our Long-Range Facility Plan on July 11, 2008. Therefore, we needed to file an updated Long-Range Facility Plan by July 11, 2013. The Design Collaborative filed this updated plan and the State of New Jersey is still reviewing the updated plan.

The public supported a \$9,499,000 March 9, 2010 referendum by more than a 2.5 to 1 margin for the installation of solar panels on all four (4) of the district facilities. The expected completion date was originally scheduled for September 2010. However, A.R.R.A. funds have placed a large demand on solar panels and, as a result, our vendors had some difficulties acquiring the solar panels within the original timelines. The completion date for this project was during the summer of 2011 up through January 2012. The first attempt in December 2009 was defeated by the public, in part, as a response to the tough

economic conditions just commencing. The project has actually come in so much lower than expected that the district only had to borrow \$7,000,000 in bonds.

The public supported the September 25, 2001 referendum overwhelmingly and a fourth school has been operating in its twelfth year now. The completion date for the new Ashbrook Elementary School housing students in grades 2 and 3, was September 1, 2003. The Ashbrook Elementary School opened on time.

Curriculum has been a continued focus with an emphasis on achieving or exceeding state standards and meeting the needs of a diverse student population. Based on student learning data, a new math program was adopted for grades K-5, and revisions were made to the curriculum document to reflect this change. The technology curriculum underwent revision, as well, in order to align to the 2014 NJCCCS and to reflect recent advancements in technology.

Revised, standards-based report cards for grades K-4 were put into place. In order to optimize the potential of our new reporting method to inform parents about their children's progress, multiple resources were made available on the district website to assist parents in interpreting the data presented. There were also formal presentations of the new report cards at the schools' Meet Your Teacher Nights and at a PTA meeting. Parental response was positive, with many stating that they do feel better informed. During the 2014-2015 school year, fifth grade teachers created rubrics they would use to score students on standards-based report cards, which were introduced to parents in the fall of 2015, thus extending our standards-based grading approach across all elementary grades.

The district believes that professional development in a collaborative, job-embedded setting is essential to providing top quality instruction. Therefore, this remained a priority. Teachers in Kindergarten through grade 3 worked with literacy staff developers from the Teachers College Reading and Writing Project at Columbia University. In addition, the Math Leadership Team members, teacher leaders from each grade level, worked with a math consultant throughout the school year and provided turn-key sharing with their colleagues. As a member of Cohort 2 in the Rider University CONNECT-ED Consortium, the Lumberton School District continued to involve teacher members of the district's Science Leadership Team, the Supervisor of Curriculum and Instruction, and building administrators in the process of gap analysis and unpacking of the standards in preparation for curriculum alignment to the Next Generation Science Standards. Additionally, other members attended out-of-district workshops on the topic, enabling the team to share multiple perspectives and experiences to support curriculum revision. The Science Leadership Team is now poised to present turn-key professional development on the new Science standards to their colleagues.

In the spring of 2014, the Lumberton School District was awarded the U.S. Department of Education's i3Reading Recovery Scale Up Project grant, enabling us to train a staff member in Reading Recovery at a significantly reduced cost. The reading specialist in our primary building participated in a week of intensive training in August of 2014. During the school year, she began providing Reading Recovery instruction to our lowest achieving first grade readers as she continued her training sessions throughout the school year. The program yielded strong results for the students involved.

Student achievement is directly related to quality classroom instruction. The Lumberton School District recognizes this fact and focuses on continual improvement through curriculum design, development of teacher leaders, and a comprehensive, collaboration-focused approach to staff development. Our planning is informed by analysis of student and staff data, feedback from district-wide, subject-based teacher leadership teams, and reflective leadership.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District

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

As a recipient of federal 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 evaluations by the District management.

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

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

6) BUDGETARY CONTROLS: In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. 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.

As encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

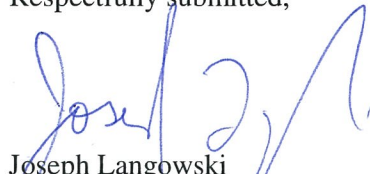
7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) 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 Board is also part of a partially self-funded insurance program for all non-medical lines of coverage. The name of the fund is the Burlington County Insurance Pool Joint Insurance Fund. This pool is made up of over 25 local School Districts in an effort to maximize the insurance coverage at the best possible price. This JIF also provides many mandated training programs as part of the membership and without additional costs to the member districts.


9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 and/or 15-08 OMB. The auditor's report on the basic 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.

10) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Lumberton Township School Board for their concern in providing fiscal responsibility to the citizens and taxpayers of the School District and thereby contributing their full support to the developments and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Joseph Langowski
School Superintendent

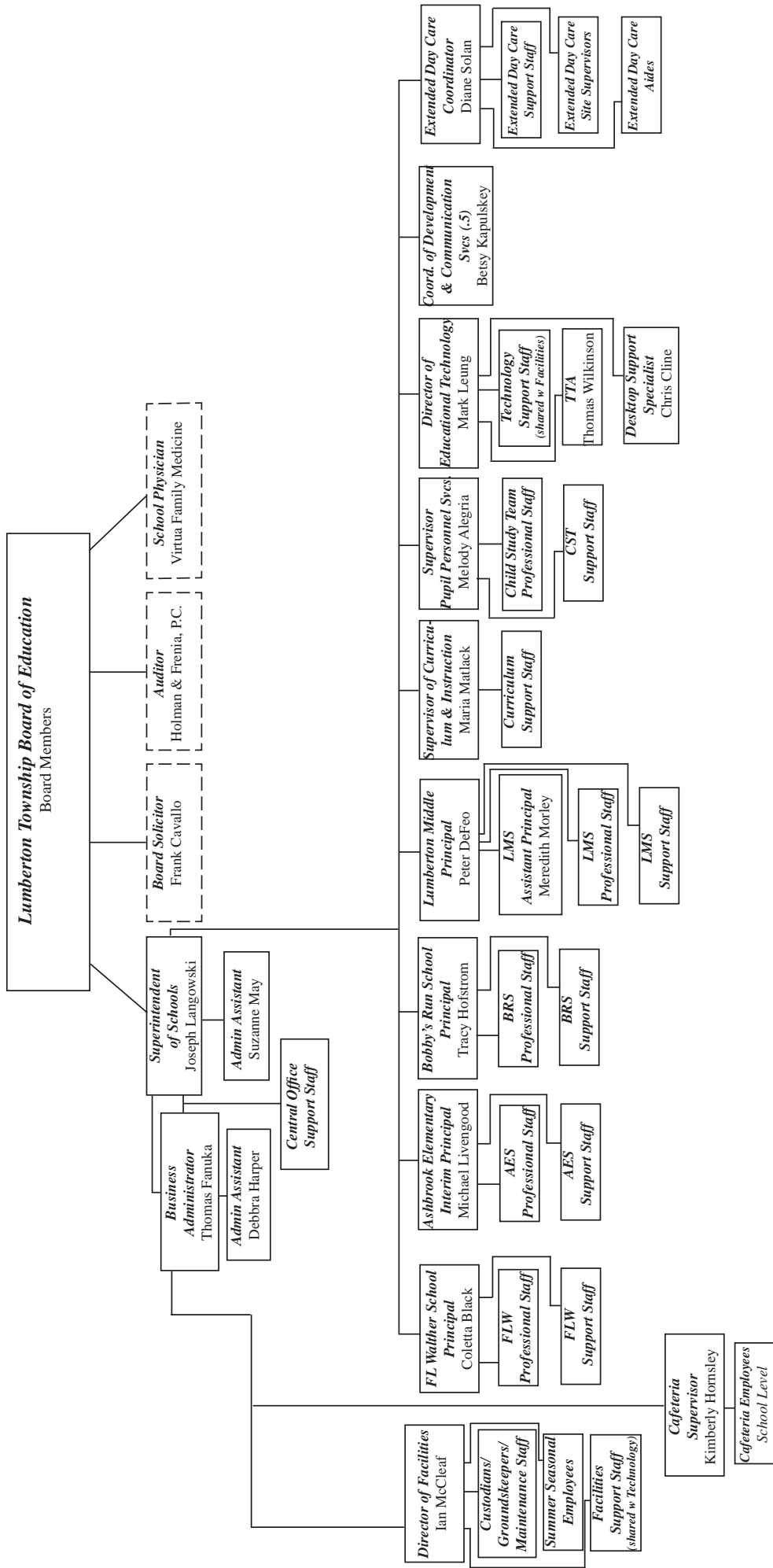


Thomas J. Fanuka
Board Sec./Business Administrator

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Lumberton Township Board of Education

33 Municipal Drive
Lumberton, NJ 08048
(609) 267-1406



LUMBERTON TOWNSHIP BOARD OF EDUCATION
Lumberton, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Rachel Paulin, President	2017
Chris Stridiron, Vice President	2015
Margaret Bupp	2016
Melissa Ciri	2017
Sheila Ellis	2016
Thomas Colling, III	2015
Jennifer DeJoseph	2015
Tabitha Nicodemus	2015
Mario Tommasi	2015

OTHER OFFICIALS

Joseph Langowski, Superintendent

Thomas J. Fanuka, Business Administrator/Board Secretary

Frank P. Cavallo, Solicitor

LUMBERTON TOWNSHIP BOARD OF EDUCATION
Lumberton, New Jersey

CONSULTANTS AND ADVISORS

INSURANCE AGENT

Burlington County Insurance Pool
Marlton, New Jersey

AUDIT FIRM

Kevin Frenia
Holman Frenia Allison, P.C.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Frank P. Cavallo, Jr.
Mount Laurel, New Jersey

OFFICIAL DEPOSITORY

TD Bank
Cherry Hill, New Jersey

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey 08048

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township Board of Education, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township Board of Education, County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lumberton Township Board of Education's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance 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(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the

responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 04, 2015 on our consideration of the Lumberton Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lumberton Township Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
December 4, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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LUMBERTON TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended June 30, 2015

UNAUDITED

The discussion and analysis of Lumberton Township Board of Education annual financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statement to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 fiscal year include the following:

- The General Fund balance (budgetary basis) decreased \$814,383 from \$5,248,301 to \$4,433,918 in 2015. The balance at June 30, 2015 included an amount of \$1,298,139 in excess of the 2% allowable per state mandate.
- General revenues accounted for \$23,597,669 of all revenues. Specific revenues in the form of charges for services, operating grants & contributions accounted for 5,964,695 of total revenues of \$29,581,288.
- Total Net Position of governmental activities was \$9,260,913. Net Position decreased by \$1,967,793 from July 1, 2014 to June 30, 2015.
- The General Fund fund balance at June 30, 2015 is \$3,622,083, a decrease of \$841,415 when compared with the beginning balance at July 1, 2014 of \$4,463,498.

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 that the reader can understand Lumberton Township BOE as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Lumberton Township BOE.

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

The *Statement of Net Position* 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 Lumberton Township BOE, the General Fund is by far the most significant fund.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 summarizes the major features of the Lumberton Township BOE financial statements, including the portion of the District activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements			
	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education, building maintenance and food service	Activities the district operates similar to private businesses: Food service fund
Required financial statements	Statement of Net Position	Balance sheet	Statement of Net Position
	Statement of activities	Statement of revenue, expenditures and changes in fund balance	Statement of revenue, expenses and changes in fund Net Position Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual account and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets excepted to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014-2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, administration and community education. Aids from the State of New Jersey and from the Federal government along with local Property taxes finances most of these activities.
- ◆ Business-type activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

GASB 68

As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$11,228,706, as indicated in Note 18 to the financial statements.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or “major” funds – not the District as a whole. 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 funds are the General fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- ◆ Some funds are required by State law and by bond covenants.
- ◆ The District use other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because of the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, debt service fund and permanent fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises,

where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The extended day care fund provides for the operation of a before and after school day care service for school-age children. The proprietary funds have been included within business-type activities in the district-wide financial statements.

The food services and extended day care fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District uses trust and agency funds to account for resources held for student activities and group, for payroll transactions and for the District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements

Financial Analysis of the Lumberton Township Board of Education

As noted earlier, Net Position may serve over time as a useful indicator of the District's financial position.

The District's largest net asset is the restricted portion of the Net Position shown above. Restricted assets represent resources that are subject to external restrictions on how they may be used.

The District's investment in capital assets within the Net Position above; less any related debt used to acquire those assets that is still outstanding, shows a balance of \$12,176,611.

The unrestricted Net Position may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted Net Position includes the amount of long-term obligations that are not invested in capital assets, such as compensated absences.

At the end of the current fiscal year, the District is able to report a positive balance in total Net Position. The same situation held true for the prior fiscal year.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unreserved fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, debt service fund and permanent fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases and (decreases) in relation to prior year revenues:

	2014-2015 Revenue	2013-2014 Revenue	Increase/ (Decrease)	% of Increase/ (Decrease)
Local Sources:				
Local Tax Levy	\$ 13,827,457	\$ 14,139,871	\$ (312,414)	-2.21%
Tuition	113,187	80,659	32,528	40.33%
Miscellaneous	429,572	289,231	140,341	48.52%
State Sources	11,229,830	10,966,009	263,821	2.41%
Federal Sources	630,619	646,929	(16,310)	-2.52%
Total Revenue	<u>\$ 26,230,665</u>	<u>\$ 26,122,699</u>	<u>\$ 107,966</u>	<u>0.41%</u>

The following schedule presents a summary of general fund, special revenue fund, debt service fund and permanent fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	2014-2015 Expenditures	2013-2014 Expenditures	Increase/ (Decrease)	% of Increase/ (Decrease)
Current Expense:				
Instruction	\$ 9,807,714	\$ 9,720,816	\$ 86,898	0.89%
Undistributed Expenditures	13,740,688	13,356,709	383,979	2.87%
Capital Outlay	1,258,052	621,910	636,142	102.29%
Debt Service	2,052,744	2,959,181	(906,437)	-30.63%
Total Expenditures	<u>\$ 26,859,198</u>	<u>\$ 26,658,616</u>	<u>\$ 200,582</u>	<u>0.75%</u>

Undistributed expenditures increased due to the increase in tuition paid and the increase in plant operation and maintenance. Capital Outlay costs increased due to the installation of BACnet upgrades and entering into a capital lease agreement for data cabling and switch equipment. The decrease in debt service was due to the District's repayment schedule.

General Fund Budgetary Highlights

There difference between the original budget and the final amended budget was \$108. This difference is comprised entirely of the June 30, 2014 year end encumbrances. The prior year's reserve for encumbrances rollover into the subsequent year budget (2014-15). Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2014-2015 budget.

Proprietary Funds

The District's proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund's Change in Net Position increased by \$34,018 from \$91,427 in 2014 to \$125,445 in 2015. The unrestricted Net Position of the food service program was \$125,445 at June 30, 2015. The food services program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget.

The Extended Day Care Enterprise Fund's Change in Net Position decreased by \$53,169 from \$760,647 in 2014 to \$707,478 in 2015. The unrestricted Net Position of the extended day care program was \$707,478 at June 30, 2015. The extended day care program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget. In fact, they are able to donate goods/services to the district for overall student benefit on a regular basis.

Capital Assets

At June 30, 2015, the District Governmental Activities has capital assets of \$22,498,492 million, net of depreciation, which includes land, land improvements, building & improvements, and machinery and equipment.

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2015, the District's \$17,044,225 outstanding debt issues included \$10,165,000 of General Obligation bonds (1998 refunding bonds, 1999 bonds, 2002 refunding bonds, 2005 refunding bonds and 2010 bonds), Capital Leases of \$156,881 for the lease of various computer and technology equipment, Compensated Absences Liability of \$840,786, \$189,897 of unamortized bond premium and Net Pension Liability of \$5,691,611.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Next Year's Budget

- The District anticipates that the approved 2015-2016 budget will be adequate to satisfy all 2015-2016 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Requests for Information

This financial report is designed to provide a general overview of the Lumberton School District's finances for all those with an interest in the District's finances. Questions concerning and of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Lumberton Township Board of Education, 33 Municipal Drive, Lumberton NJ 08048.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 3,979,681	\$ 737,375	\$ 4,717,056
Receivables, Net	629,232	17,410	646,642
Inventory	-	7,106	7,106
Capital Assets, Net	22,498,492	79,232	22,577,724
Restricted Cash & Cash Equivalents	525,433	-	525,433
Total Assets	27,632,838	841,123	28,473,961
DEFERRED OUTFLOW OF RESOURCES			
Deferred Loss on Defeasance of Debt	46,607	-	46,607
Deferred Outflows Related to Pensions	446,072	-	446,072
Total Deferred Outflow of Resources	492,679	-	492,679
Total Assets and Deferred Outflow of Resources	28,125,517	841,123	28,966,640
LIABILITIES			
Accounts Payable	739,569	-	739,569
Pension Payable	267,096	-	267,096
Accrued Interest	92,826	-	92,826
Internal Balances	(8,200)	8,200	-
Unearned Revenue	8,288	-	8,288
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,875,400	-	1,875,400
Due Beyond One Year	15,168,825	-	15,168,825
Total Liabilities	18,143,804	8,200	18,152,004
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	720,800	-	720,800
Total Deferred Inflows of Resources	720,800	-	720,800
Total Liabilities and Deferred Inflows of Resources	18,864,604	8,200	18,872,804
NET POSITION			
Net Investment in Capital Assets	12,176,611	79,232	12,255,843
Restricted For:			
Debt Service	(92,825)	-	(92,825)
Other Purposes	2,726,124	-	2,726,124
Capital Projects	1,298,038	-	1,298,038
Unrestricted/(Deficit)	(6,847,035)	753,691	(6,093,344)
Total Net Position	\$ 9,260,913	\$ 832,923	\$ 10,093,836

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 6,051,836	\$ -	-	\$ (6,051,836)	\$ -	\$ (6,051,836)
Special Education	3,221,113	-	481,113	(2,740,000)	-	(2,740,000)
Other Special Instruction	430,509	-	-	(430,509)	-	(430,509)
Other Instruction	104,256	-	-	(104,256)	-	(104,256)
Support Services & Undistributed Costs:						
Tuition	541,483	-	-	(541,483)	-	(541,483)
Health Services	247,986	-	-	(247,986)	-	(247,986)
Student & Instruction Related Services	1,851,245	-	-	(1,851,245)	-	(1,851,245)
Educational Media Services/School Library	280,741	-	-	(280,741)	-	(280,741)
School Administrative Services	967,348	-	77,388	(889,960)	-	(889,960)
Other Administrative Services	1,140,016	-	-	(1,140,016)	-	(1,140,016)
Plant Operations & Maintenance	1,896,008	-	-	(1,896,008)	-	(1,896,008)
Pupil Transportation	1,020,021	-	-	(1,020,021)	-	(1,020,021)
Unallocated Employee Benefits	8,082,560	-	4,390,076	(3,692,484)	-	(3,692,484)
Transfers to Charter Schools	36,314	-	-	(36,314)	-	(36,314)
Interest and Other Charges	472,209	-	-	(472,209)	-	(472,209)
Unallocated Amortization of Loss on Refunding Bonds	73,990	-	-	(73,990)	-	(73,990)
Adjustment to Capital Assets	2,905,087	-	-	(2,905,087)	-	(2,905,087)
Unallocated Depreciation	1,317,145	-	-	(1,317,145)	-	(1,317,145)
Total Governmental Activities:	30,639,867	-	4,948,577	(25,691,290)	-	(25,691,290)
Business-Type Activities:						
Food Service	502,815	305,520	231,296	-	34,001	34,001
Extended Day Care	425,550	479,302	-	-	53,752	53,752
Total Business-Type Activities	928,365	784,822	231,296	-	87,753	87,753
Total Primary Government	\$ 31,568,232	\$ 784,822	\$ 5,179,873	(25,691,290)	87,753	(25,603,537)

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Including Debt Service				13,827,457	13,827,457
Federal & State Aid Not Restricted				8,272,583	8,272,583
Federal & State Aid Restricted				954,273	954,273
Tuition Received				113,187	113,187
Investment Earnings				-	597
Miscellaneous Income				429,572	429,572
Special Items:					
Reduction in Compensated Absences				81,182	81,182
Unallocated Amortization of Bond Premium				45,243	45,243
Adjustment to Capital Assets				(107,501)	(107,501)
Total General Revenues, Special Items, Extraordinary Items & Transfer:				23,723,497	23,616,593
Change In Net Position				(1,967,793)	(1,986,944)
Net Position - Beginning				11,228,706	12,080,780
Net Position - Ending				9,260,913	10,093,836

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B. Fund Financial Statements

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Governmental Funds

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS	
Assets:						
Cash & Cash Equivalents	\$ 3,448,079	\$ -	\$ 516,367	\$ 25,378	\$ 3,989,824	\$ 4,092,295
Accounts Receivable:						-
State Aid	65,840	-	390,261	-	456,101	157,395
Federal Aid	26,877	-	-	-	26,877	60,858
Other	137,583	3,671	-	-	141,254	64,394
Interfunds	38,577	14,760	-	-	53,337	53,974
Restricted Cash & Cash Equivalents	525,433	-	-	-	525,433	1,301,653
Total Assets	\$ 4,242,389	\$ 18,431	\$ 906,628	\$ 25,378	\$ 5,192,826	\$ 5,730,569
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Deficit	\$ -	\$ 10,143	\$ -	\$ -	\$ 10,143	\$ 67,882
Accounts Payable	605,546	-	134,023	-	739,569	556,131
Intergovernmental Payable	-	-	-	-	-	608
Unearned Revenues	-	8,288	-	-	8,288	-
Interfund Payables	14,760	-	-	25,377	40,137	40,774
Total Liabilities	620,306	18,431	134,023	25,377	798,137	665,395
Fund Balances:						
Restricted for:						
Capital Reserve Account	525,433	-	-	-	525,433	1,301,653
Excess Surplus	1,298,139	-	-	-	1,298,139	1,427,985
Excess Surplus Designated for Subsequent Year's Expenditures	1,427,985	-	-	-	1,427,985	1,805,388
Capital Projects Fund	-	-	772,605	-	772,605	210,888
Debt Service Fund	-	-	-	1	1	2
Assigned to:						
Designated for Subsequent Year's Expenditures	358,237	-	-	-	358,237	-
Other Purposes	12,289	-	-	-	12,289	390,786
Unassigned:						
General Fund	-	-	-	-	-	(71,528)
Total Fund Balances	3,622,083	-	772,605	1	4,394,689	5,065,174
Total Liabilities & Fund Balances	\$ 4,242,389	\$ 18,431	\$ 906,628	\$ 25,378		

Amounts reported for governmental activities in the statement of Net Position (A-2) 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 \$40,880,627 and the accumulated depreciation is \$15,288,871.	22,498,492	25,591,756
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	(274,728)	250,611
Accrued interest payable and PERS pension payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.	(359,922)	(391,219)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.	46,607	81,557
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.	(17,044,225)	(19,369,173)
Net Position of Governmental Activities	\$ 9,260,913	\$ 11,228,706

LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 12,338,726	\$ -	\$ -	\$ 1,488,731	\$ 13,827,457
Tuition	113,187	-	-	-	113,187
Miscellaneous	429,572	-	-	-	429,572
Total Local Sources	<u>12,881,485</u>	<u>-</u>	<u>-</u>	<u>1,488,731</u>	<u>14,370,216</u>
State Sources	10,275,557	-	390,261	564,012	11,229,830
Federal Sources	72,118	558,501	-	-	630,619
Total Revenues	<u>23,229,160</u>	<u>558,501</u>	<u>390,261</u>	<u>2,052,743</u>	<u>26,230,665</u>
Expenditures:					
Current Expense:					
Regular Instruction	6,051,836	-	-	-	6,051,836
Special Education Instruction	2,740,000	481,113	-	-	3,221,113
Other Special Instruction	430,509	-	-	-	430,509
Other Instruction	104,256	-	-	-	104,256
Support Services:					
Tuition	541,483	-	-	-	541,483
Health Services	247,986	-	-	-	247,986
Student & Instruction Related Services	1,851,245	-	-	-	1,851,245
Educational Media Services/ School Library	280,741	-	-	-	280,741
School Administrative Services	889,960	77,388	-	-	967,348
Other Administrative Services	1,140,016	-	-	-	1,140,016
Plant Operations & Maintenance	1,896,008	-	-	-	1,896,008
Pupil Transportation	1,020,021	-	-	-	1,020,021
Employee Benefits	5,795,840	-	-	-	5,795,840
Capital Outlay	267,269	-	990,783	-	1,258,052
Debt Service:					
Principal	-	-	-	1,665,000	1,665,000
Interest & Other Charges	-	-	-	387,744	387,744
Total Expenditures	<u>23,257,170</u>	<u>558,501</u>	<u>990,783</u>	<u>2,052,744</u>	<u>26,859,198</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(28,010)</u>	<u>-</u>	<u>(600,522)</u>	<u>(1)</u>	<u>(628,533)</u>
Other Financing Sources/(Uses):					
Operating Transfers In/(Out)	(777,091)	-	777,091	-	-
Transfer to Charter Schools	(36,314)	-	-	-	(36,314)
Cancellation of Grant Receivable	-	-	(5,638)	-	(5,638)
Total Other Financing Sources/(Uses)	<u>(813,405)</u>	<u>-</u>	<u>771,453</u>	<u>-</u>	<u>(41,952)</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under)					
Expenditures & Other Financing Uses	(841,415)	-	170,931	(1)	(670,485)
Fund Balance - July 1	<u>4,463,498</u>	<u>-</u>	<u>601,674</u>	<u>2</u>	<u>5,065,174</u>
Fund Balance - June 30	<u>\$ 3,622,083</u>	<u>\$ -</u>	<u>\$ 772,605</u>	<u>\$ 1</u>	<u>\$ 4,394,689</u>

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds \$ (670,485)

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

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

Depreciation Expense	(1,317,145)	
Capital Outlays	1,128,968	
Adjustment to Capital Assets	<u>(2,905,087)</u>	(3,093,264)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	250,611	
State Share of Unfunded TPAF Pension Expense	2,314,984	
Unfunded TPAF Pension Expense	(2,314,984)	
Pension Expense	<u>(222,347)</u>	28,264

Issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes financial resources of the governmental funds.

Bond Proceeds	(4,205,000)	
Repayment of Bond Principal	<u>5,945,000</u>	1,740,000

Amortization of losses on early extinguishments of debt from refunded debt issuances are recorded when incurred in the governmental funds but are deferred and amortized over the life of the new bonds.

Loss on Refunding Bond	39,040	
Amortization of Loss on Refunding	<u>(73,990)</u>	(34,950)

Amortization of premiums from refunded debt issuances are recorded when incurred in the governmental funds but are amortized and expensed over the life of the bond in the statement of activities.

Original issue Bond Premium	(194,860)	
Amortization of Original Issue Premium	<u>45,243</u>	(149,617)

In the statement of activities, the reduction for Capital Leases should not be an expenditure. Thus the change in Net Position will differ from the change in fund balance by the cost of the asset removed (-).

Retirement of Lease		83,295
---------------------	--	--------

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).

Prior Year	140,608	
Current Year	<u>(92,826)</u>	47,782

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-), when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year	921,968	
Current Year	<u>(840,786)</u>	81,182

Change in Net Position of Governmental Activities \$ (1,967,793)

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Proprietary Funds

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	EXTENDED DAY CARE	FOOD SERVICE	
Current Assets:			
Cash & Cash Equivalents	\$ 628,246	\$ 109,129	\$ 737,375
Accounts Receivable:			
State	-	421	421
Federal	-	16,989	16,989
Inventories	-	7,106	7,106
Total Current Assets	628,246	133,645	761,891
Capital Assets:			
Equipment	214,675	4,696	219,371
Less: Accumulated Depreciation	(135,443)	(4,696)	(140,139)
Total Capital Assets	79,232	-	79,232
Total Assets	707,478	133,645	841,123
LIABILITIES			
Interfund Payables	-	8,200	8,200
Total Liabilities	-	8,200	8,200
NET POSITION			
Net Investment in Capital Assets	79,232	-	79,232
Unrestricted	628,246	125,445	753,691
Total Net Position	\$ 707,478	\$ 125,445	\$ 832,923

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	EXTENDED DAY CARE	FOOD SERVICE	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:	\$ -	\$ 173,219	\$ 173,219
Daily Sales Nonreimbursable Programs	-	114,694	114,694
Special Functions	-	13,896	13,896
Enrollment Fees	479,302	-	479,302
Miscellaneous		3,711	3,711
Total Operating Revenue	479,302	305,520	784,822
Operating Expenses:			
Salaries	332,021	210,340	542,361
Payroll Taxes & Benefits	42,669	-	42,669
Supplies and Materials	-	34,390	34,390
Management Fee	-	40,000	40,000
Miscellaneous	42,179	10,326	52,505
Cost of Sales	-	207,759	207,759
Depreciation	8,681	-	8,681
Total Operating Expenses	425,550	502,815	928,365
Operating Income/(Loss)	53,752	(197,295)	(143,543)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	4,829	4,829
Federal Sources:			
National School Lunch Program	-	145,459	145,459
National School Breakfast Program		41,843	41,843
Special Milk Program	-	579	579
Healthy Hungry Kids Act	-	6,251	6,251
Food Distribution Program	-	32,335	32,335
Gain/(Loss) on Adjustment to Capital Assets	(107,501)	-	(107,501)
Interest Revenue	580	17	597
Total Nonoperating Revenues/(Expenses)	(106,921)	231,313	124,392
Change in Net Position	(53,169)	34,018	(19,151)
Total Net Position - Beginning	760,647	91,427	852,074
Total Net Position - Ending	\$ 707,478	\$ 125,445	\$ 832,923

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	EXTENDED DAY CARE	FOOD SERVICE	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 479,302	\$ 305,520	\$ 784,822
Payments to Employees	(332,021)	(210,340)	(542,361)
Payment to Employee Benefits	(42,669)	-	(42,669)
Payments to Suppliers	(42,179)	(255,723)	(297,902)
Net Cash Provided/(Used) by Operating Activities	<u>62,433</u>	<u>(160,543)</u>	<u>(98,110)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	5,067	5,067
Federal Sources	-	188,087	188,087
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>193,154</u>	<u>193,154</u>
Cash Flows From Investing Activities:			
Purchase of Capital Assets	-	-	-
Interest on Investments	580	17	597
Net Cash Provided by Investing Activities	<u>580</u>	<u>17</u>	<u>597</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	63,013	32,628	95,641
Cash & Cash Equivalents, July 1	<u>565,233</u>	<u>76,501</u>	<u>641,734</u>
Cash & Cash Equivalents, June 30	<u>\$ 628,246</u>	<u>\$ 109,129</u>	<u>\$ 737,375</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ 53,752	\$ (197,295)	\$ (143,543)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	8,681	-	8,681
Food Distribution Program	-	32,335	32,335
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	4,417	4,417
Net Cash Provided/(Used) by Operating Activities	<u>\$ 62,433</u>	<u>\$ (160,543)</u>	<u>\$ (98,110)</u>

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

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Fiduciary Fund

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	AGENCY		PRIVATE PURPOSE		TOTALS
	STUDENT ACTIVITY	PAYROLL	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	
Cash & Cash Equivalents	\$ 49,003	\$ 5,127	\$ 2,593	\$ 94,679	\$ 151,402
Accounts Receivable	807	-	-	-	807
Total Assets	49,810	5,127	2,593	94,679	152,209
LIABILITIES					
Due to Student Groups	49,810	-	-	-	49,810
Claims Payable	-	127	-	332	459
Accounts Payable	-	-	-	-	-
Interfund Payable	-	5,000	-	-	5,000
Total Liabilities	49,810	5,127	-	332	55,269
NET POSITION					
Restricted for Unemployment Claims	-	-	-	94,347	94,347
Restricted for Scholarships	-	-	2,593	-	2,593
Total Net Position	\$ -	\$ -	\$ 2,593	\$ 94,347	\$ 96,940

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIVATE PUPOSE		TOTAL
	SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION	
ADDITIONS			
Deductions from Employees' Salaries	\$ -	\$ 22,833	\$ 22,833
Interest on Investments	1	68	69
Total Additions	1	22,901	22,902
DEDUCTIONS			
Scholarships Awarded	140	-	140
Unemployment Claims	-	19,906	19,906
Total Deductions	140	19,906	20,046
Change in Net Position	(139)	2,995	2,856
Net Position - Beginning of the Year	2,732	91,352	94,084
Net Position - End of the Year	<u>\$ 2,593</u>	<u>\$ 94,347</u>	<u>\$ 96,940</u>

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The financial statements of the Lumberton Board of Education (the 'District') have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

Reporting Entity

The Lumberton Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operation of the District includes four (4) schools located in Lumberton Township. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members' terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped students. The Lumberton Township Board of Education has an approximate enrollment at June 30, 2015 of 1,473 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and the Extended Day Care program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

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

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

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.

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Extended Day Care (EDC) – This fund accounts for the revenues and expenses pertaining to the District’s extended day care program.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund

Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Use of Estimates

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued):

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2015, the District implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of the Statements requires the District to report as an asset and/or a liability its portion of the collective net pension's asset and liability of the New Jersey Public Employees' Retirement System (PERS). The implementation of the Statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow is the District contributions to the pension system subsequent to the measurement date.

Recently Issued and Adopted Accounting Pronouncements

The District has adopted and implemented all current standards of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2015.

GASB has issued Statement No. 72, *Fair Value Measurement and Application*, effective for the year ending June 30, 2016

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, effective for the year ending June 30, 2018. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending June 30, 2016.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (continued):

Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 4, 2015, which is the date the financial statements were available to be issued.

Pensions Section

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

Note 2. Cash and Cash Equivalents

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$5,807,770.22 was exposed to custodial credit risk as follows:

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 2. Cash and Cash Equivalents (continued):

Insured Under FDIC	\$ 250,000.00
Collateralized by securities held by Pledging financial institution	5,369,179.88
Uninsured and uncollateralized	<u>188,590.34</u>
Total	<u>\$ 5,807,770.22</u>

Investments

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

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure..

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2015.

Note 3. Capital Reserve Account

The Lumberton Township Board of Education created their capital reserve account 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.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 3. Capital Reserve Account (continued):

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, 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 June 30, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 1,301,653
Interest Earnings	871
Transfer from Capital Projects	8,017
Budgeted Withdrawals for Capital Expenditures	(785,108)
Ending Balance, June 30, 2015	\$ 525,433

Note 4. Accounts Receivable:

Accounts receivable at June 30, 2015 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District’s individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Fiduciary Funds	Total
State Aid	\$ 65,840	\$ -	\$ 390,261	\$ 421	\$ -	\$ 456,522
Federal Aid	26,877	-	-	16,989	-	43,866
Other	137,583	3,671	-	-	807	142,061
Total	\$ 230,300	\$ 3,671	\$ 390,261	\$ 17,410	\$ 807	\$ 642,449

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 5. Capital Assets:

Governmental Activities:

	June 30, 2014	Additions	Deletions	Adjustments	June 30, 2015
<u>Non-Depreciable Assets</u>					
Land	\$ 120,485	\$ -	\$ -	\$ 1,116,000	\$ 1,236,485
Total Non-Depreciable Assets	120,485	-	-	1,116,000	1,236,485
<u>Depreciable Assets</u>					
Land Improvements	713,300	-	-	5,623,387	6,336,687
Buildings	38,149,059	990,783	-	(8,580,178)	30,559,664
Machinery & Equipment	1,897,782	138,185	-	350,442	2,386,409
Subtotal	40,880,626	1,128,968	-	(1,490,349)	40,519,245
Accumulated Depreciation	(15,288,871)	(1,317,145)	-	(1,414,737)	(18,020,753)
Total	\$ 25,591,755	\$ (188,177)	\$ -	\$ (2,905,086)	\$ 22,498,492

	June 30, 2014	Additions	Deletions	Adjustments	June 30, 2015
<u>Depreciable Assets</u>					
Buildings & Improvement	\$ 264,278	\$ -	\$ -	\$ (49,603)	\$ 214,675
Machinery & Equipment	86,507	-	-	(81,811)	4,696
Subtotal	350,785	-	-	(131,414)	219,371
Accumulated Depreciation	(155,371)	(8,681)	-	23,913	(140,139)
Total	\$ 195,414	\$ (8,681)	\$ -	\$ (107,501)	\$ 79,232

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 6. Interfund Receivables, Payables and Transfers:

Individual fund receivables/payables balances at June 30, 2015 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 38,577.00	\$ 14,760.00
Special Revenue Fund	14,760.00	-
Debt Service Fund	-	25,377.00
Food Service Fund	-	8,200.00
Fiduciary Funds	-	5,000.00
	<u>\$ 53,337.00</u>	<u>\$ 53,337.00</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 637.00
Special Revenue Fund	637.00	-
	<u>\$ 637.00</u>	<u>\$ 637.00</u>

The purpose of interfunds transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 7. Long-Term Obligations:

A. Long-Term Obligation Activity

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term debt:

	June 30, 2014	Accrued/ Increases	Retired/ Decreases	June 30, 2015	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 11,905,000	\$ 4,205,000	\$ (5,945,000)	\$ 10,165,000	\$ 1,745,000
Amortization of Bond Premium	40,280	194,860	(45,243)	189,897	45,001
Capital Lease Payable	240,176	-	(83,295)	156,881	85,399
Compensated Absences	921,968	-	(81,182)	840,786	-
Net Pension Liability	6,261,749	-	(570,088)	5,691,661	-
Total	<u>\$ 19,369,173</u>	<u>\$ 4,399,860</u>	<u>\$ (6,724,808)</u>	<u>\$ 17,044,225</u>	<u>\$ 1,875,400</u>

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 7. Long-Term Obligations (continued):

B. Bonds Payable

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

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

Year-ending June 30,	Principal	Interest	Total
2016	1,745,000	266,547	2,011,547
2017	1,245,000	249,631	1,494,631
2018	1,285,000	214,456	1,499,456
2019	1,320,000	178,156	1,498,156
2020	1,365,000	140,856	1,505,856
2021-2025	2,620,000	352,169	2,972,169
2026-2029	585,000	19,744	604,744
Total	<u>\$ 10,165,000</u>	<u>\$ 1,421,559</u>	<u>\$ 11,586,559</u>

On February 17, 2010, \$3,535,000 of Bonds were issued to refund the remaining balance of the 1999 and 2001 Bonds. The purpose of the Bonds is to (i) currently refund all of the outstanding callable principal amount of the originally issued \$3,100,000 School Bonds of the Board dated March 1, 1999 and maturing on or after March 1, 2010 at par plus any unpaid accrued interest to March 29, 2010; (ii) advance refund all or part of the outstanding callable principal amount of the originally issued \$5,160,000 School Bonds of the Board dated December 15, 2001 and maturing on or after December 15, 2011 at par plus any unpaid accrued interest to December 15, 2010; and (iii) pay the costs of issuance with respect to the Bonds. This refunding was undertaken to reduce the total debt service payments over the next 6 years by \$192,583, with a net present value savings of 182,609.

On August 4, 2010, \$7,000,000 of Bonds, with interest rates varying from 2.250% to 3.375%, were issued to undertake the acquisition and installation of solar energy panels at the Ashbrook Elementary School, Florence L. Walther Elementary School, Lumberton Middle School and Bobby’s Run Elementary School.

On April 1, 2015, the District issued \$4,205,000 of Refunding Bonds, Series 2015 with interest rates varying from 2.00% to 3.00%. The Bonds were issued to partially refund the \$9,685,000 Refunding Bonds, Series 1998.

D. Bonds Authorized But Not Issued

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 7. Long-Term Obligations (continued):

C. Capital Leases Payable

The school district is leasing computer and technology equipment totaling purchase prices of \$249,988 and \$175,000 with lease terms of 5 years each at 2.79% and 2.14% annual rates, respectively. The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2015 are:

Year-ending June 30,	Amount
2016	\$ 89,086
2017	36,892
2018	<u>36,892</u>
Total Minimum Lease Payments	162,870
Less: Amount Representing Interest	<u>(5,991)</u>
Present Value of Lease Payments	<u><u>\$ 156,879</u></u>

Note 8. Pension Obligations:

A. Public Employees' Retirement System (PERS)

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

A. Public Employees' Retirement System (PERS) (continued):

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

The following represents the membership tiers for PERS:

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 250,611	100%	\$ 5,691,611
6/30/2014	246,866	100%	6,261,749
6/30/2013	275,219	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$5,691,611 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .030400%, which was a decrease of .00236% from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u> July 1, 2014	<u>6/30/2014</u> July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 446,072	\$ 250,611
Deferred Inflows of Resources	\$ 720,800	N/A
Net Pension Liability	\$ 5,691,611	\$ 6,261,749
District's portion of the Plan's total net pension Liability	0.03040%	0.03276%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$32,059. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	178,976	-
Net difference between projected and actual earnings on pension plan investments	-	339,192
Changes in proportion and differences between District contributions and proportionate share of contributions	-	381,608
District contributions subsequent to the measurement date	267,096	-
Total	\$ 446,072	\$ 720,800

\$267,096 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30:</u>	<u>PERS</u>
2016	\$ (99,303)
2017	(99,303)
2018	(99,303)
2019	(99,303)
2020	(99,303)
Thereafter	(45,309)

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

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

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Decrease</u>		<u>Discount</u>		<u>Increase</u>
	<u>4.39%</u>		<u>Rate (5.39%)</u>		<u>6.39%</u>
District's proportionate share of the net pension liability	\$ 7,160,304	\$	5,691,661	\$	4,458,375

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

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

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 1,317,755	100%	\$ -
6/30/2014	1,096,606	100%	-
6/30/2013	1,368,808	100%	-

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note 8: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

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

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 8: Pension Obligations (continued):

C. Defined Contribution Retirement Plan (DCRP)

The District contributes to the Defined Contribution Retirement Plan (DCRP), a defined contribution pension plan, for its full-time general administrative employees. DCRP is administered by the Division of Pension and Benefits.

Benefit terms, including contribution requirements, for DCRP are established and may be amended by the plan administrator. For each employee in the pension plan, the District is required to contribute 3 percent of base salary, to an individual employee account. Employees make contributions to the pension plan at a rate of 5.5 percent of base salary. Base salary is determined to be annual compensation, exclusive of overtime pay, bonuses, and lump sum payments for longevity, holiday pay, vacation, compensatory time, or accumulated sick leave.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

Note 9: 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, 2015, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 10. 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.

Joint Insurance Fund – The District participates in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF), public entity risk pool. Coverage under this joint plan offers workers’ compensation, boiler and machinery, automobile liability, general liability, property, crime and school board legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies.

No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2015 for the joint insurance pool.

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

Fiscal Year	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2014-2015	\$ 22,833	\$ 68	\$ 19,906	\$ 94,347
2013-2014	23,288	107	18,267	91,352
2012-2013	21,274	76	17,046	86,224

Note 11. Contingent Liabilities:

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 12. 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, could have an effect on the District's programs and activities.

Note 13. Deferred Compensation:

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

The Vanguard Group	AXA/Equitable	Lincoln Investment Planning
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Note 14. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$840,786.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 there was no liability for compensated absences in the proprietary fund types.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 15. Fund Balance

General Fund – of the \$3,622,083 General Fund fund balance at June 30, 2015, \$525,433 has been restricted for the Capital Reserve Account; \$1,786,222 is restricted for excess surplus designated for subsequent years expenditures; \$1,298,139 is restricted current year excess surplus and \$12,289 is assigned to other purposes.

Capital Projects Fund – The fund balance of \$772,605 has been restricted for future Capital Projects.

Debt Service Fund – of the Debt Service Fund fund balance at June 30, 2015, \$1 is reserved in accordance with N.J.S.A 7F-41c(2).

Note 16. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$1,298,139.

Note 17. Deficit in Net Position

Restricted Net Position – The School District had a deficit in restricted net position for Debt Service in the amount of \$92,825 at June 30, 2015. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$6,847,035 at June 30, 2015. The deficit is due to the final June state aid payment of \$811,835 not recognized under GAAP and by the implementation of GASB 68 which requires the district to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) at June 30, 2015.

LUMBERTON TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Note 18. Prior Period Adjustment/Restatement of Net Position:

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	<u>Governmental Activities</u>
Net Position as adjusted for Correction of Error, reported at June 30, 2014	\$ 17,490,455
Prior period adjustment - Implementation of GASB 68: Net Pension Liability (measurement date as of June 30, 2013)	(6,261,749)
Deferred Outflows - district contributions made during fiscal year 2014	250,611
PERS Pension Payable	<u>(250,611)</u>
Total prior period adjustment	<u>(6,261,749)</u>
Net Position as restated, July 1, 2014	<u><u>\$ 11,228,706</u></u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210-000-000	\$ 12,338,726	\$ -	\$ 12,338,726	\$ 12,338,726	\$ -
Tuition	10-1300-000-000	-	-	-	113,187	113,187
Miscellaneous	10-1000-000-000	145,000	-	145,000	429,572	284,572
Total Local Sources		12,483,726	-	12,483,726	12,881,485	397,759
State Sources:						
Categorical Transportation Aid	10-3121-000-000	208,437	-	208,437	208,437	-
Categorical Special Education Aid	10-3132-000-000	903,723	-	903,723	903,723	-
Equalization Aid	10-3176-000-000	6,879,838	-	6,879,838	6,879,838	-
Categorical Security Aid	10-3177-000-000	141,349	-	141,349	141,349	-
Adjustment Aid	10-3178-000-000	31,980	-	31,980	31,980	-
PARCC Readiness Aid	10-3190-000-000	14,840	-	14,840	14,840	-
Per Pupil Growth Aid	10-3190-000-000	14,840	-	14,840	14,840	-
Other State Aid						
Nonpublic School Transportation	10-3000-000-000	-	-	-	15,268	15,268
Extraordinary Aid	10-3131-000-000	-	-	-	17,222	17,222
Nonbudgeted:						
On-Bhalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	808,478	808,478
Normal Pension Contributions		-	-	-	509,277	509,277
Reimbursed TPAF Social Security		-	-	-	757,337	757,337
Total State Sources		8,195,007	-	8,195,007	10,302,589	2,107,582
Federal Sources:						
Medicaid Reimbursement	10-4200-000-000	10,100	-	10,100	60,873	50,773
Medicaid Reimbursement - ARRA	10-4200-000-000	-	-	-	11,245	11,245
Total Federal Sources		10,100	-	10,100	72,118	62,018
Total Revenues		20,688,833	-	20,688,833	23,256,192	2,567,359

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool/Kindergarten	11-110-100-101	478,280	2,600	480,880	478,827	2,053
Grades 1 - 5	11-120-100-101	3,022,097	(2,400)	3,019,697	3,004,761	14,936
Grades 6 - 8	11-130-100-101	2,083,633	22,300	2,105,933	2,081,126	24,807
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	17,600	2,750	20,350	16,198	4,152
Purchased Professional - Educational Services	11-150-100-320	2,000	6,000	8,000	1,918	6,082
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	229,646	(21,255)	208,391	161,720	46,671
Purchased Professional - Educational Services	11-190-100-320	40,500	8,000	48,500	46,826	1,674
Purchased Technical Services	11-190-100-340	6,550	-	6,550	3,052	3,498
General Supplies	11-190-100-610	303,841	1,197	305,038	253,892	51,146
Textbooks	11-190-100-640	13,374	(125)	13,249	2,713	10,536
Other Objects	11-190-100-890	1,200	-	1,200	803	397
Total Regular Programs		6,198,721	19,067	6,217,788	6,051,836	165,952
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	467,108	-	467,108	465,078	2,030
Other Salaries for Instruction	11-204-100-106	325,413	(135,124)	190,289	162,030	28,259
General Supplies	11-204-100-610	8,800	-	8,800	7,721	1,079
Textbooks	11-204-100-640	500	-	500	-	500
Total Learning &/or Language Disabilities		801,821	(135,124)	666,697	634,829	31,868
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	-	27,075	27,075	27,075	-
Other Salaries for Instruction	11-212-100-106	-	73,100	73,100	47,027	26,073
Total Multiple Disabilities		-	100,175	100,175	74,102	26,073
Resource Room / Resource Center:						
Salaries of Teachers	11-213-100-101	1,448,029	24,237	1,472,266	1,464,752	7,514
Other Salaries for Instruction	11-213-100-106	343,197	-	343,197	327,261	15,936
General Supplies	11-213-100-610	14,812	175	14,987	11,384	3,603
Textbooks	11-213-100-640	500	-	500	-	500
Total Resource Room/Resource Center		1,806,538	24,412	1,830,950	1,803,397	27,553
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	168,072	-	168,072	167,976	96
Other Salaries for Instruction	11-215-100-106	46,997	15,500	62,497	59,327	3,170
General Supplies	11-215-100-610	800	(400)	400	369	31

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Total Preschool Disabilities - Part-Time		215,869	15,100	230,969	227,672	3,297
Total Special Education		2,824,228	4,563	2,828,791	2,740,000	88,791
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	164,565	-	164,565	143,991	20,574
Other Salaries for Instruction	11-230-100-106	141,879	44,812	186,691	180,829	5,862
General Supplies	11-230-100-610	14,574	(337)	14,237	13,712	525
Total Basic Skills/Remedial - Instruction		321,018	44,475	365,493	338,532	26,961
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	91,440	-	91,440	89,776	1,664
General Supplies	11-240-100-610	1,902	-	1,902	1,513	389
Textbooks	11-240-100-640	697	-	697	688	9
Total Bilingual Education - Instruction		94,039	-	94,039	91,977	2,062
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	74,873	-	74,873	64,396	10,477
Supplies and Materials	11-401-100-600	6,677	-	6,677	3,687	2,990
Total School Sponsored Cocurricular - Activities		81,550	-	81,550	68,083	13,467
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	30,314	-	30,314	30,274	40
Supplies and Materials	11-402-100-600	2,170	-	2,170	1,596	574
Other Objects	11-402-100-800	4,600	-	4,600	4,303	297
Total School Sponsored Athletics - Instruction		37,084	-	37,084	36,173	911
Total - Instruction		9,556,640	68,105	9,624,745	9,326,601	298,144

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Undistributed Expenditures						
Instruction:						
Tuition to Other LEAs Within State						
Special	11-000-100-562	85,000	148,178	233,178	217,162	16,016
Tuition to CSSD & Regional Day						
School	11-000-100-565	300,000	(99,972)	200,028	64,757	135,271
Tuition to Private Schools for						
Disabled Within the State	11-000-100-566	708,250	(169,854)	538,396	259,564	278,832
Tuition Other	11-000-100-569	1,800	-	1,800	-	1,800
Total Undistributed Expenditures - Instruction		1,095,050	(121,648)	973,402	541,483	431,919
Health Services:						
Salaries	11-000-213-100	232,163	1,894	234,057	233,775	282
Purchased Professional &						
Technical Services	11-000-213-300	21,000	(1,894)	19,106	8,450	10,656
Supplies and Materials	11-000-213-600	6,572	-	6,572	5,761	811
Total Health Services		259,735	-	259,735	247,986	11,749
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	334,062	(36,000)	298,062	277,000	21,062
Purchased Professional -						
Educational Services	11-000-216-320	10,000	35,000	45,000	31,504	13,496
Supplies and Materials	11-000-216-600	3,406	1,000	4,406	3,795	611
Total Other Support Services - Students - Related Services		347,468	-	347,468	312,299	35,169
Other Support Services - Students - Extraordinary Services:						
Salaries	11-000-217-100	144,329	(1,000)	143,329	135,102	8,227
Purchased Professional &						
Educational Services	11-000-217-320	60,000	57,048	117,048	106,758	10,290
Supplies and Materials	11-000-217-600	2,300	-	2,300	1,489	811
Total Other Support Services - Students - Extraordinary Services		206,629	56,048	262,677	243,349	19,328
Other Support Services - Students - Regular:						
Salaries of Other Professional						
Staff	11-000-218-104	353,524	1,000	354,524	331,198	23,326
Salaries of Secretarial & Clerical						
Assistants	11-000-218-105	24,344	50	24,394	24,344	50
Supplies and Materials	11-000-218-600	17,000	(3,550)	13,450	10,400	3,050

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Total Other Support Services - Students - Regular		394,868	(2,500)	392,368	365,942	26,426
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	630,543	10,800	641,343	641,257	86
Salaries of Secretarial & Clerical Assistants	11-000-219-105	53,068	-	53,068	48,261	4,807
Purchased Professional - Educational Services	11-000-219-320	16,000	(10,800)	5,200	4,415	785
Supplies and Materials	11-000-219-600	9,000	-	9,000	7,546	1,454
Other Objects	11-000-219-800	1,120	-	1,120	820	300
Total Other Support Services - Students - Special Services		709,731	-	709,731	702,299	7,432
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	104,602	-	104,602	104,602	-
Total Improvement of Instruction Services		104,602	-	104,602	104,602	-
Educational Media Services/School Library:						
Salaries	11-000-222-100	164,956	-	164,956	164,250	706
Purchased Professional & Technical Services	11-000-222-300	24,040	-	24,040	16,191	7,849
Supplies and Materials	11-000-222-600	112,358	(4,400)	107,958	100,300	7,658
Other Objects	11-000-222-800	-	-	-	-	-
Total Educational Media Services/School Library		301,354	(4,400)	296,954	280,741	16,213
Instructional Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	23,686	-	23,686	23,686	-
Salaries of Other Professional Staff	11-000-223-104	17,917	-	17,917	16,026	1,891
Salaries of Secretarial & Clerical Assistants	11-000-223-105	44,166	-	44,166	44,165	1
Purchased Professional - Educational Services	11-000-223-320	20,001	4,100	24,101	16,867	7,234

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Purchased Professional & Technical Services	11-000-223-390	6,500	(1,100)	5,400	5,268	132
Other Purchased Services	11-000-223-500	18,000	3,108	21,108	14,876	6,232
Supplies and Materials	11-000-223-600	2,500	(1,000)	1,500	498	1,002
Other Objects	11-000-223-800	2,000	-	2,000	1,368	632
Total Instructional Staff Training Services		134,770	5,108	139,878	122,754	17,124
Support Services General Administration:						
Salaries	11-000-230-100	213,273	(7,118)	206,155	206,155	-
Salaries of Attorneys	11-000-230-108	-	-	-	-	-
Legal Services	11-000-230-331	65,000	5,000	70,000	69,971	29
Audit Services	11-000-230-332	23,000	-	23,000	21,915	1,085
Other Purchased Professional Services	11-000-230-339	5,000	-	5,000	4,225	775
Purchased Technical Services	11-000-230-340	12,000	(7,000)	5,000	-	5,000
Communications/Telephone	11-000-230-530	66,540	(11,000)	55,540	35,037	20,503
BOE Other Purchased Services	11-000-230-585	23,500	(14,100)	9,400	6,476	2,924
Other Purchased Services (400-500Series)	11-000-230-590	-	9,000	9,000	3,055	5,945
General Supplies	11-000-230-610	27,500	(10,200)	17,300	12,242	5,058
Miscellaneous Expenditures	11-000-230-890	2,600	-	2,600	2,039	561
BOE Membership Dues & Fees	11-000-230-895	18,450	(750)	17,700	15,929	1,771
Total Support Services General Administration		456,863	(36,168)	420,695	377,044	43,651
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	539,151	42,218	581,369	581,309	60
Salaries of Secretarial & Clerical Assistants	11-000-240-105	283,903	1,446	285,349	285,309	40
Other Salaries	11-000-240-110	7,890	-	7,890	7,890	-
Supplies and Materials	11-000-240-600	12,701	(1,648)	11,053	8,458	2,595
Other Objects	11-000-240-800	6,150	1,052	7,202	6,994	208
Total Support Services School Administration		849,795	43,068	892,863	889,960	2,903
Central Services:						
Salaries	11-000-251-100	421,658	(9,000)	412,658	408,754	3,904
Purchased Professional Services	11-000-251-330	20,700	-	20,700	17,594	3,106
Other Purchased Services	11-000-251-592	5,200	-	5,200	464	4,736
Supplies and Materials	11-000-251-600	4,500	-	4,500	2,893	1,607
Interest for Lease Purchase Agreement	11-000-251-832	6,791	2,100	8,891	8,858	33
Miscellaneous Expenditures	11-000-251-890	2,000	-	2,000	1,334	666

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Total Central Services		460,849	(6,900)	453,949	439,897	14,052
Administration Information Technology:						
Salaries	11-000-252-100	143,164	-	143,164	143,164	-
Purchased Technical Services	11-000-252-340	70,500	-	70,500	70,444	56
Supplies and Materials	11-000-252-600	126,050	-	126,050	108,647	17,403
Miscellaneous Expenditures	11-000-252-800	1,100	-	1,100	820	280
Total Administration Information Technology		340,814	-	340,814	323,075	17,739
Allowable Maintenance for School Facilities:						
Salaries	11-000-261-100	4,500	(326)	4,174	3,809	365
Cleaning, Repair & Maintenance Services	11-000-261-420	105,750	47,133	152,883	152,777	106
General Supplies	11-000-261-610	75,250	(24,131)	51,119	50,993	126
Other Objects	11-000-261-800	12,250	(6,192)	6,058	5,273	785
Total Allowable Maintenance for School Facilities		197,750	16,484	214,234	212,852	1,382
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	779,590	(21,813)	757,777	742,623	15,154
Purchased Professional & Technical Services	11-000-262-300	6,000	4,500	10,500	10,479	21
Cleaning, Repair & Maintenance Services	11-000-262-420	224,722	(22,300)	202,422	194,117	8,305
Rental of Land & Building	11-000-262-441	2,000	(1,500)	500	423	77
Other Purchased Property Services	11-000-262-490	96,000	13,000	109,000	104,387	4,613
Insurance	11-000-262-520	70,500	-	70,500	63,398	7,102
General Supplies	11-000-262-610	80,500	11,000	91,500	90,654	846
Energy (Electricity)	11-000-262-622	352,000	(10,715)	341,285	277,363	63,922
Energy (Natural Gas)	11-000-262-621	120,000	-	120,000	95,657	24,343
Energy (Gasoline)	11-000-262-626	6,500	1,613	8,113	8,112	1
Other Objects	11-000-262-800	3,000	(1,550)	1,450	1,320	130
Total Other Operation & Maintenance of Plant		1,740,812	(27,765)	1,713,047	1,588,533	124,514
Care & Upkeep of Grounds:						
Other Purchased Professional Salaries	11-000-263-100	67,656	-	67,656	61,942	5,714
Technical Services	11-000-263-300	6,500	(219)	6,281	6,236	45
General Supplies	11-000-263-610	15,000	11,500	26,500	26,445	55
Total Care & Upkeep of Grounds		89,156	11,281	100,437	94,623	5,814

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Student Transportation Services:						
Contracted Services (Between Home & School) - Vendors	11-000-270-511	459,600	(28,700)	430,900	428,573	2,327
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	9,345	1,200	10,545	8,852	1,693
Contracted Services (Between Home & School) - Joint	11-000-270-513	-	-	-	-	-
Contracted Services (Special Education Students) - Vendors	11-000-270-514	76,500	(5,000)	71,500	67,779	3,721
Contracted Services (Special Education Students) - Joint	11-000-270-515	30,000	(8,500)	21,500	21,222	278
Contracted Services (Regular Students) - ESC's	11-000-270-517	92,000	(5,000)	87,000	85,337	1,663
Contracted Services (Special Education Students) - ESC's	11-000-270-518	305,000	63,000	368,000	365,855	2,145
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	70,000	(6,000)	64,000	42,403	21,597
Total Student Transportation Services		1,042,445	11,000	1,053,445	1,020,021	33,424
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	310,000	(11,000)	299,000	234,030	64,970
Other Retirement Contributions - Regular	11-000-291-241	318,663	-	318,663	271,766	46,897
Unemployment Compensation	11-000-291-250	25,000	-	25,000	602	24,398
Workmen's Compensation	11-000-291-260	79,631	-	79,631	76,653	2,978
Health Benefits	11-000-291-270	3,312,900	(5,000)	3,307,900	3,124,887	183,013
Tuition Reimbursements	11-000-291-280	30,000	-	30,000	2,700	27,300
Other Employee Benefits	11-000-291-290	76,000	-	76,000	10,110	65,890
Total Unallocated Benefits		4,152,194	(16,000)	4,136,194	3,720,748	415,446
Nonbudgeted:						
On-Bhalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	808,478	(808,478)
Normal Pension Contributions		-	-	-	509,277	(509,277)
Reimbursed TPAF Social Security		-	-	-	757,337	(757,337)
Total Undistributed Expenditures		12,884,885	(72,392)	12,812,493	13,663,300	(850,807)
Total Expenditures - Current Expense		22,441,525	(4,287)	22,437,238	22,989,901	(552,663)

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Capital Outlay:						
Equipment:						
Regular Programs - Instruction:						
Grades 1 - 5	12-120-100-730	34,500	4,395	38,895	34,842	4,053
Grades 6 - 8	12-130-100-730	15,000	-	15,000	13,972	1,028
Support Services Students - Special Services	12-000-219-730		-	-		-
Administrative Info Technology	12-000-252-730	44,000	7,200	51,200	51,116	84
Custodial Services	12-000-262-730	42,500	-	42,500	36,227	6,273
Care and Upkeep of Grounds	12-000-263-730	4,400	-	4,400	2,028	2,372
Security	12-000-266-730	5,000	-	5,000	-	5,000
Non-Instructional Services	12-000-300-730	7,500	(7,200)	300	-	300
Total Equipment		152,900	4,395	157,295	138,185	19,110
Facilities Acquisition & Construction Services:						
Lease Purchase Agreement	12-000-400-721	83,296	-	83,296	83,295	1
Assessment for Debt Service	12-000-400-896	45,789	-	45,789	45,789	-
Total Facilities Acquisition & Construction Services		129,085	-	129,085	129,084	1
Total Capital Outlay		281,985	4,395	286,380	267,269	19,111
Total Expenditures		22,723,510	108	22,723,618	23,257,170	(533,552)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(2,034,677)	(108)	(2,034,785)	(978)	2,033,807

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Financing Sources/(Uses):						
Operating Transfers In/(Out):						
Transfer to Capital Projects		(785,108)	-	(785,108)	(785,108)	-
Transfer from Capital Projects		-	-	-	8,017	8,017
Transfer to Charter Schools		(36,314)	-	(36,314)	(36,314)	-
		<hr/>				
Total Other Financing Uses		(821,422)	-	(821,422)	(813,405)	8,017
		<hr/>				
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		(2,856,099)	(108)	(2,856,207)	(814,383)	2,041,824
Fund Balances, July 1		5,248,301	-	5,248,301	5,248,301	-
		<hr/>				
Fund Balances, June 30		\$ 2,392,202	\$ (108)	\$ 2,392,094	\$ 4,433,918	\$ 2,041,824
		<hr/> <hr/>				

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$	108
Total	\$	108

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Reserved Excess Surplus Designated of Subsequent Year's Expenditures	\$	1,427,985
Capital Reserve		525,433
Excess Surplus		1,298,139
Assigned Fund Balance:		
Year-End Encumbrances		12,289
Designated for Subsequent Year's Expenditures		686,993
Designated for Subsequent Year's Expenditures - ARRA		11,245
Unassigned Fund Balance		471,834
Subtotal		4,433,918
Reconciliation to Governmental Fund Statements (GAAP):		
Last State Aid Payment Not Recognized on GAAP Basis		(811,835)
Total Fund Balance per Governmental Funds (GAAP)	\$	3,622,083

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ 1,000	\$ (1,000)	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	456,000	124,442	580,442	580,442	-
Total Revenues	457,000	123,442	580,442	580,442	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	117,000	(14,000)	103,000	103,000	-
Tuition	339,000	32,852	371,852	371,852	-
General Supplies	1,000	5,261	6,261	6,261	-
Other Objects	-	-	-	-	-
Total Instruction	457,000	24,113	481,113	481,113	-
Support Services:					
Salaries	-	36,496	36,496	36,496	-
Personal Services - Employee Benefits	-	27,187	27,187	27,187	-
Purchased Professional Services	-	21,978	21,978	21,978	-
Other Purchased Services	-	12,593	12,593	12,593	-
Supplies & Materials	-	1,075	1,075	1,075	-
Total Support Services	-	99,329	99,329	99,329	-
Total Expenditures	457,000	123,442	580,442	580,442	-
Total Outflows	457,000	123,442	580,442	580,442	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 23,256,192	\$ 580,442
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
	Prior Year	-
	Current Year	(21,941)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	784,803	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	(811,835)	-
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 23,229,160</u>	<u>\$ 558,501</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	23,257,170	580,442
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	(21,941)
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 23,257,170</u>	<u>\$ 558,501</u>

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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LUMBERTON BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.03040%	0.03276%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$5,691,661	\$ 6,261,749	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$2,192,147	\$ 2,144,986	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	259.64%	291.92%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**LUMBERTON BOARD OF EDUCATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 267,096	\$ 250,611	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contributions in relation to the contractually required contribution	267,096	250,611	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contribution deficiency (excess)	\$ -	\$ -	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's covered-employee payroll	\$ 2,192,147	\$ 2,144,986	2,074,797	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contributions as a percentage of covered-employee payroll	12.18%	11.68%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**LUMBERTON BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.098203%	0.099420%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 52,486,407	\$ 50,245,999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 10,492,779	\$ 10,173,303	\$ 9,457,611	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68) –
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	NO CHILD LEFT BEHIND		I.D.E.A. PART B BASIC	I.D.E.A. PART B PRESCHOOL	TOTAL
	TITLE I	TITLE II - PART A			
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Source	160,531	32,086	359,087	28,738	580,442
Total Revenues	\$ 160,531	\$ 32,086	\$ 359,087	\$ 28,738	\$ 580,442
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 90,000	\$ -	\$ 13,000	\$ -	\$ 103,000
Tuition	-	-	343,114	28,738	371,852
Supplies	6,261	-	-	-	6,261
Other Objects	-	-	-	-	-
Total Instruction	96,261	-	356,114	28,738	481,113
Support Services:					
Salaries	31,040	5,456	-	-	36,496
Employee Benefits	25,775	417	995	-	27,187
Other Purchased Professional Services	-	20,000	1,978	-	21,978
Other Purchased Services	7,293	5,300	-	-	12,593
Supplies	162	913	-	-	1,075
Total Support Services	64,270	32,086	2,973	-	99,329
Total Expenditures	\$ 160,531	\$ 32,086	\$ 359,087	\$ 28,738	\$ 580,442

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F. Capital Projects Fund

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		TRANSFER TO DEBT SERVICE FUND	UNEXPENDED BALANCE JUNE 30, 2015
			PRIOR YEARS	CURRENT YEAR		
To undertake the acquisition & installation of solar energy panels at the Ashbrook Elementary School, Florence L. Walther Elementary School, Lumberton Middle School and Bobby's Run Elementary School as well as related work for acquisition and installation of the panels.	8/4/2011	\$ 7,000,000	\$ 6,017,016	\$ 2,145	\$ 407,950	\$ 572,889
To replace HVAC hardware and software, fire system and security upgrades	4/13/2012	147,931	139,542	8,389	-	-
To replace HVAC hardware and software, fire system and security upgrades	5/4/2012	61,742	57,146	4,596	-	-
To replace HVAC units in main office area	5/4/2012	121,940	121,940	-	-	-
Various Capital Improvements - AES	3/26/2014	223,870	-	150,348	-	73,522
Various Capital Improvements - BRE	3/26/2014	202,640	-	107,919	-	94,721
Various Capital Improvements - FLW	3/26/2014	485,921	-	425,225	-	60,696
Various Capital Improvements - LMS	3/26/2014	396,082	-	292,161	-	103,921
Total		\$ 8,640,126	\$ 6,335,644	\$ 990,783	\$ 407,950	\$ 905,749
Less: Unearned SDA Revenue						(133,144)
Fund Balance Per B-1						\$ 772,605

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

Revenues & Other Financing Sources:	
State Sources - ROD Grant	\$ 523,405
Transfer from Capital Reserve	<u>785,108</u>
Total Revenues & Other Sources	<u>1,308,513</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	50,695
Construction Services	940,088
Transfer to General Fund	8,017
Cancellation of Grant Receivable	<u>5,638</u>
Total Expenditures & Other Financing Uses	<u>1,004,438</u>
Excess/(Deficiency) of Revenues & Other Financing Sources	
Over/(Under) Expenditures & Other Financing Uses	304,075
Fund Balances, July 1	<u>601,674</u>
Fund Balances, June 30	<u><u>\$ 905,749</u></u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
LUMBERTON - SOLAR PROJECT
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 7,000,000	\$ -	\$ 7,000,000	\$ 7,000,000
Total Revenues	7,000,000	-	7,000,000	7,000,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	506,001	2,145	508,146	508,146
Construction Services	5,506,598		5,506,598	6,079,487
Other Objects	4,417	-	4,417	4,417
Total Expenditures	6,017,016	2,145	6,019,161	6,592,050
Transfer to Debt Service Fund	407,950	-	407,950	407,950
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 575,034	\$ (2,145)	\$ 572,889	\$ -

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
LUMBERTON MIDDLE SCHOOL
HVAC HARDWARE AND SOFTWARE, FIRE SYSTEM AND SECURITY UPGRADES
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 62,979		\$ 62,979	\$ 61,032
Transfer from Capital Reserve	89,671		89,671	86,899
Total Revenues	152,650	-	152,650	147,931
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	12,688	-	12,688	12,688
Construction Services	126,854	8,389	135,243	135,243
Transfer to General Fund		2,772	2,772	
Cancellation of Grant Receivable		1,947	1,947	
Total Expenditures & Other Financing Uses	139,542	13,108	152,650	147,931
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)	\$ 13,108	\$ (13,108)	\$ -	\$ -

Additional Project Information:

Project Number	2850-060-10-2004
Grant Date	4/13/2012
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	152,650
Additional Authorized Cost	(4,719)
Revised Authorized Cost	147,931

Percentage Increase Over Original Authorized Cost

-

Percentage Completion

Original Target Completion Date

Revised Target Completion Date

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
 PROJECT STATUS - BUDGETARY BASIS
 BOBBY'S RUN ELEMENTARY SCHOOL
 HVAC HARDWARE AND SOFTWARE, FIRE SYSTEM AND SECURITY UPGRADES
 FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 26,729	\$ -	\$ 26,729	\$ 25,473
Transfer from Capital Reserve	38,058	-	38,058	36,269
Total Revenues	64,787	-	64,787	61,742
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	6,091		6,091	6,091
Construction Services	51,055	4,596	55,651	55,651
Transfer to General Fund		1,789	1,789	
Cancellation of Grant Receivable		1,256	1,256	
Total Expenditures & Other Financing Uses	57,146	4,596	61,742	61,742
Excess/(Deficiency) of Revenues Over/(Under)				
Expenditures After Other Financing Sources/(Uses)	\$ 7,641	\$ (4,596)	\$ 3,045	\$ -

Additional Project Information:

Project Number	2850-060-10-2002
Grant Date	5/4/2012
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	61,742
Additional Authorized Cost	-
Revised Authorized Cost	61,742
Percentage Increase Over Original Authorized Cost	-
Percentage Completion	
Original Target Completion Date	
Revised Target Completion Date	

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FLORENCE L. WALTHER ELEMENTARY SCHOOL
REPLACE HVAC UNITS IN MAIN OFFICE AREA
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 52,739	\$ -	\$ 52,739	\$ 50,304
Transfer from Capital Reserve	75,092	-	75,092	71,636
Total Revenues	127,831	-	127,831	121,940
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	9,894		9,894	9,894
Construction Services	112,046		112,046	112,046
Transfer to General Fund		3,456	3,456	
Cancellation of Grant Receivable		2,435	2,435	
Total Expenditures & Other Financing Uses	121,940	5,891	127,831	121,940
Excess/(Deficiency) of Revenues Over/(Under)				
Expenditures After Other Financing Sources/(Uses)	\$ 5,891	\$ (5,891)	\$ -	\$ -

Additional Project Information:

Project Number	2850-060-10-2003
Grant Date	5/4/2012
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	121,940
Additional Authorized Cost	-
Revised Authorized Cost	121,940
Percentage Increase Over Original Authorized Cost	-
Percentage Completion	
Original Target Completion Date	
Revised Target Completion Date	

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ASHBROOK ELEMENTARY SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 89,548	\$ 89,548	\$ 89,548
Transfer from Capital Reserve	-	134,322	134,322	134,322
Total Revenues	-	223,870	223,870	223,870
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	11,610	11,610	18,000
Construction Services	-	138,738	138,738	205,870
Total Expenditures	-	150,348	150,348	223,870
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 73,522	\$ 73,522	\$ -
Additional Project Information:				
DOE Project Number				2850-010-14-1001
SDA Project Number				2850-010-14-G1JJ
Grant Number				G5-4989
Grant Date				3/26/2014
Bond Authorization Date				N/A
Bonds Authorization				N/A
Bonds Issued				N/A
Original Authorized Cost				223,870
Additional Authorized Cost				-
Revised Authorized Cost				223,870
Percentage Increase Over Original Authorized Cost				-
Percentage Completion				67%
Original Target Completion Date				N/A
Revised Target Completion Date				N/A

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
BOBBY'S RUN ELEMENTARY SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 81,056	\$ 81,056	\$ 81,056
Transfer from Capital Reserve	-	121,584	121,584	121,584
Total Revenues	-	202,640	202,640	202,640
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	3,866	3,866	14,000
Construction Services	-	104,053	104,053	188,640
Total Expenditures	-	107,919	107,919	202,640
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 94,721	\$ 94,721	\$ -

Additional Project Information:

DOE Project Number	2850-020-14-1003
SDA Project Number	2850-020-14-G1JK
Grant Number	G5-4990
Grant Date	3/26/2014
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	202,640
Additional Authorized Cost	-
Revised Authorized Cost	202,640
Percentage Increase Over Original Authorized Cost	-
Percentage Completion	53%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FLORENCE L. WALTHER ELEMENTARY SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 194,368	\$ 194,368	\$ 194,368
Transfer from Capital Reserve	-	291,553	291,553	291,553
Total Revenues	-	485,921	485,921	485,921
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	16,614	16,614	35,250
Construction Services	-	408,611	408,611	450,671
Total Expenditures	-	425,225	425,225	485,921
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 60,696	\$ 60,696	\$ -

Additional Project Information:

DOE Project Number	2850-050-14-1005
SDA Project Number	2850-020-14-G1JL
Grant Number	G5-4991
Grant Date	3/26/2014
Bond Authorization Date	N/A
Bonds Authorization	N/A
Bonds Issued	N/A
Original Authorized Cost	485,921
Additional Authorized Cost	-
Revised Authorized Cost	485,921
Percentage Increase Over Original Authorized Cost	-
Percentage Completion	88%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
LUMBERTON MIDDLE SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 158,433	\$ 158,433	\$ 158,433
Transfer from Capital Reserve	-	237,649	237,649	237,649
Total Revenues	-	396,082	396,082	396,082
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	16,460	16,460	28,000
Construction Services	-	275,701	275,701	368,082
Total Expenditures	-	292,161	292,161	396,082
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 103,921	\$ 103,921	\$ -
Additional Project Information:				
DOE Project Number				2850-060-14-1007
SDA Project Number				2850-060-14-G1JM
Grant Number				G5-4992
Grant Date				3/26/2014
Bond Authorization Date				N/A
Bonds Authorization				N/A
Bonds Issued				N/A
Original Authorized Cost				396,082
Additional Authorized Cost				-
Revised Authorized Cost				396,082
Percentage Increase Over Original Authorized Cost				-
Percentage Completion				74%
Original Target Completion Date				N/A
Revised Target Completion Date				N/A

G. Proprietary Funds

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Enterprise Funds

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015

ASSETS	EXTENDED DAY CARE	FOOD SERVICE FUND	TOTAL
Current Assets:			
Cash & Cash Equivalents	\$ 628,246	\$ 109,129	\$ 737,375
Accounts Receivable:			-
State	-	421	421
Federal	-	16,989	16,989
Inventories		7,106	7,106
			-
Total Current Assets	<u>628,246</u>	<u>133,645</u>	<u>761,891</u>
			-
Capital Assets:			
Equipment	214,675	4,696	219,371
Accumulated Depreciation	<u>(135,443)</u>	<u>(4,696)</u>	<u>(140,139)</u>
			-
Total Capital Assets	<u>79,232</u>	<u>-</u>	<u>79,232</u>
			-
Total Assets	<u>707,478</u>	<u>133,645</u>	<u>841,123</u>
			-
LIABILITIES			
Current Liabilities:			
Interfund Payable	-	8,200	8,200
Accounts Payable	-	-	-
			-
Total Current Liabilities	<u>-</u>	<u>8,200</u>	<u>8,200</u>
			-
NET POSITION			
Net Investment in Capital Assets	79,232	-	79,232
Unrestricted	<u>628,246</u>	<u>125,445</u>	<u>753,691</u>
			-
Total Net Position	<u>\$ 707,478</u>	<u>\$ 125,445</u>	<u>\$ 832,923</u>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015**

	EXTENDED DAY CARE	FOOD SERVICE FUND	TOTAL
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 173,219	\$ 173,219
Daily Sales Nonreimbursable Programs	-	114,694	114,694
Special Functions	-	13,896	13,896
Enrollment Fees	479,302	-	479,302
Miscellaneous		3,711	3,711
		<hr/>	<hr/>
Total Operating Revenue	479,302	305,520	784,822
Operating Expenses:			
Salaries	332,021	210,340	542,361
Payroll Taxes & Benefits	42,669	-	42,669
Supplies and Materials	-	34,390	34,390
Management Fee	-	40,000	40,000
Depreciation	8,681	-	8,681
Miscellaneous	42,179	10,326	52,505
Cost of Sales	-	207,759	207,759
		<hr/>	<hr/>
Total Operating Expenses	425,550	502,815	928,365
Operating Income/(Loss)	53,752	(197,295)	(143,543)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	4,829	4,829
Federal Sources:			
National School Lunch Program	-	145,459	145,459
National School Breakfast Program	-	41,843	41,843
Special Milk Program	-	579	579
Healthy Hungry Kids Act	-	6,251	6,251
Food Distribution Program	-	32,335	32,335
Gain/(Loss) on Adjustment to Capital Assets	(107,501)	-	(107,501)
Interest Revenue	580	17	597
		<hr/>	<hr/>
Total Nonoperating Revenues/ (Expenses)	(106,921)	231,313	124,392
Change in Net Position	(53,169)	34,018	(19,151)
Total Net Position - Beginning	760,647	91,427	852,074
		<hr/>	<hr/>
Total Net Position - Ending	\$ 707,478	\$ 125,445	\$ 832,923
		<hr/> <hr/>	<hr/> <hr/>

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015**

	EXTENDED DAY CARE	FOOD SERVICE FUND	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 479,302	\$ 305,520	\$ 784,822
Payments to Employees	(332,021)	(210,340)	(542,361)
Payment to Employee Benefits	(42,669)	-	(42,669)
Payments to Suppliers	(42,179)	(255,723)	(297,902)
Net Cash Provided/(Used) by Operating Activities	62,433	(160,543)	(98,110)
Cash Flows From Noncapital Financing			
State Sources	-	5,067	5,067
Federal Sources	-	188,087	188,087
Net Cash Provided by Noncapital Financing Activities	-	193,154	193,154
Cash Flows From Investing Activities:			
Interest on Investments	580	17	597
Net Cash Provided by Investing Activities	580	17	597
Net Increase/(Decrease) in Cash & Cash Equivalents	63,013	32,628	95,641
Cash and Cash Equivalents, July 1	565,233	76,501	641,734
Cash and Cash Equivalents, June 30	\$ 628,246	\$ 109,129	\$ 737,375

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ 53,752	\$ (197,295)	\$ (143,543)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	8,681	-	8,681
Food Distribution Program	-	32,335	32,335
(Increase)/Decrease in Inventory	-	4,417	4,417
(Decrease)/Increase in Interfund	-	-	-
(Decrease)/Increase in Accounts Payable	-	-	-
Net Cash Provided/(Used) by Operating Activities	\$ 62,433	\$ (160,543)	\$ (98,110)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	AGENCY		PRIVATE PURPOSE		TOTAL
	STUDENT ACTIVITY	PAYROLL	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	
Cash & Cash Equivalents	\$ 49,003	\$ 5,127	\$ 2,593	\$ 94,679	\$ 151,402
Accounts Receivable	807	-	-	-	807
Total Assets	49,810	5,127	2,593	94,679	152,209
LIABILITIES					
Due to Student Groups	49,810	-	-	-	49,810
Claims Payable	-	127	-	332	459
Accounts Payable	-	-	-	-	-
Interfund Payable	-	5,000	-	-	5,000
Total Liabilities	49,810	5,127	-	332	55,269
Net Position					
Restricted for Unemployment Claims	-	-	-	94,347	94,347
Restricted for Scholarships	-	-	2,593	-	2,593
Total Net Position	\$ -	\$ -	\$ 2,593	\$ 94,347	\$ 96,940

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIVATE PURPOSE		TOTAL
	SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION	
Operating Revenues:			
Local Sources:			
Deductions from Employees' Salaries	\$ -	\$ 22,833	\$ 22,833
Interest on Investments	1	68	69
Total Operating Revenues	1	22,901	22,902
Operating Expenditures:			
Scholarships Awarded	140		140
Unemployment Claims	-	19,906	19,906
Total Operating Expenses	140	19,906	20,046
Excess/(Deficit) of Revenues Over Expenditures	(139)	2,995	2,856
Fund Balances, July 1	2,732	91,352	94,084
Fund Balances, June 30	\$ 2,593	\$ 94,347	\$ 96,940

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 60,160	\$ 82,877	\$ 94,034	\$ 49,003
Accounts Receivable	9,251	807	9,251	807
Total Assets	\$ 69,411	\$ 83,684	\$ 103,285	\$ 49,810
LIABILITIES				
Due to Student Groups	\$ 69,116	\$ 83,684	\$ 102,990	\$ 49,810
Accounts Payable	295	-	295	-
Total Liabilities	\$ 69,116	\$ 83,684	\$ 103,285	\$ 49,810

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 6,236	\$ 23,707,603	\$ 23,708,712	\$ 5,127
Total Assets	\$ 6,236	\$ 23,707,603	\$ 23,708,712	\$ 5,127
LIABILITIES				
Interfund Payable	\$ 5,000			\$ 5,000
Payroll Deductions & Withholdings	-	15,318,084	15,318,084	-
Flexible Spending	1,236	20,589	21,698	127
Net Payroll	-	8,368,930	8,368,930	-
Total Liabilities	\$ 6,236	\$ 23,707,603	\$ 23,708,712	\$ 5,127

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I. Long-Term Debt

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	INTEREST RATE	BALANCE JULY 1, 2014	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2015
Refunding of 1998 Bonds	11-30-2005	9,685,000			\$ 5,035,000.00	\$ -	\$ 4,280,000.00	\$ 755,000.00	\$ -
Refunding of 1999 & 2001 Bonds	02-17-2010	3,535,000	12-15-15	2.000%	995,000.00	-	-	490,000.00	505,000.00
2010 School Bonds	08-04-2010	7,000,000	2-15-16	2.500%	5,875,000.00	-	-	420,000.00	5,455,000.00
			2-15-17	2.500%					
			2-15-18	2.500%					
			2-15-19	2.500%					
			2-15-20	2.750%					
			2-15-21	3.000%					
			2-15-22	3.000%					
			2-15-23	3.000%					
2015 Refunding School Bonds			2-15-24	3.250%					
			2-15-25	3.250%					
			2-15-26	3.375%					
	04-01-2015	4,205,000	2-15-16	2.000%	-	4,205,000.00	-	-	4,205,000.00
			2-15-17	3.000%					
		835,000	2-15-18	3.000%					
		860,000	2-15-19	3.000%					
		890,000	2-15-20	3.000%					
Total					\$ 11,905,000.00	\$ 4,205,000.00	\$ 4,280,000.00	\$ 1,665,000.00	\$ 10,165,000.00

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2015**

SERIES	INTEREST RATE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2015
			PRINCIPAL	INTEREST					
Computer Equipment	2.79%	5 Years	\$ 249,988	\$ 13,788	2.790%	\$ 100,176.00	\$ 49,399.00	\$ 50,777.00	
Technology Equipment	2.14%	5 Years	175,000	7,569	2.140%	140,000.00	33,896.00	106,104.00	
Total						\$ 240,176.00	\$ 83,295.00	\$ 156,881.00	

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,488,731	\$ -	\$ 1,488,731	\$ 1,488,731	\$ -
State Sources:					
Debt Service Aid Type II	564,012	-	564,012	564,012	-
Total Revenues	2,052,743	-	2,052,743	2,052,743	-
Expenditures					
Regular Debt Service:					
Interest	387,744	-	387,744	387,744	-
Redemption of Principal	1,665,000	-	1,665,000	1,665,000	-
Total Expenditures	2,052,744	-	2,052,744	2,052,744	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources(Uses)	(1)	-	(1)	(1)	-
Other Financing Sources/(Uses):					
Operating Transfers In/(Out):	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources/(Uses)	(1)	-	(1)	(1)	-
Fund Balance, July 1	2	-	2	2	-
Fund Balance, June 30	\$ 1	\$ -	\$ 1	\$ 1	\$ -

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STATISTICAL SECTION (Unaudited)

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the last ten fiscal years.

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
Net Position BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in Capital Assets	\$ 12,176,611	\$ 12,792,421	\$ 11,723,958	\$ 9,319,583	\$ 6,908,701	\$ 7,564,837	\$ 6,039,226	\$ 4,361,242	\$ 3,077,610	\$ 3,672,511
Restricted	3,931,337	5,150,127	5,824,338	5,248,039	3,028,173	2,915,301	3,753,402	3,024,755	3,062,170	3,468,776
Unrestricted	(6,847,035)	(452,093)	(1,270,091)	(547,061)	1,077,225	(878,515)	(1,291,399)	(719,918)	(829,513)	(854,838)
Total Governmental Activities Net Position	\$ 9,260,913	\$ 17,490,455	\$ 16,278,205	\$ 14,020,561	\$ 11,014,099	\$ 9,601,623	\$ 8,501,229	\$ 6,666,078	\$ 5,310,267	\$ 6,286,449
Business-Type Activities:										
Net Investment in Capital Assets	\$ 79,232	\$ 195,414	\$ 202,891	\$ -	\$ 4,000	\$ 8,723	\$ 13,601	\$ 19,538	\$ 8,763	\$ 16,103
Unrestricted	753,691	656,660	547,231	665,217	619,486	591,816	581,739	600,846	507,606	430,135
Total Business-Type Activities Net Position	\$ 832,923	\$ 852,074	\$ 750,122	\$ 665,217	\$ 623,486	\$ 600,539	\$ 595,340	\$ 620,384	\$ 516,369	\$ 446,238
District-Wide:										
Net Investment in Capital Assets	\$ 12,255,843	\$ 12,987,835	\$ 12,987,835	\$ 11,926,849	\$ 9,319,583	\$ 6,912,701	\$ 7,573,560	\$ 6,052,827	\$ 4,380,780	\$ 3,086,373
Restricted	3,931,337	5,150,127	5,150,127	5,824,338	5,248,039	3,028,173	2,915,301	3,753,402	3,024,755	3,062,170
Unrestricted	(6,093,344)	204,567	204,567	(722,860)	118,156	1,696,711	(286,699)	(709,660)	(119,072)	(321,907)
Total District Net Position	\$ 10,093,836	\$ 18,342,529	\$ 18,342,529	\$ 17,028,327	\$ 14,685,778	\$ 11,637,585	\$ 10,202,162	\$ 9,096,568	\$ 7,286,463	\$ 5,826,636

LUMBERTON TOWNSHIP BOARD OF EDUCATION
 CHANGES IN Net Position - (ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	6,051,836	6,056,478	5,858,548	5,337,156	5,511,184	5,856,255	5,785,756	5,650,403	5,643,556	6,160,513
Special Education	3,221,113	3,142,819	3,101,092	2,925,821	2,970,403	3,030,581	2,848,107	2,645,347	2,615,714	2,178,876
Other Special Instruction	430,509	417,255	415,989	365,872	333,295	404,705	399,033	362,752	338,939	308,660
Other Instruction	104,256	104,264	89,957	87,157	74,268	121,527	114,943	101,736	100,094	95,673
Support Services & Undistributed C	-	-	-	-	-	-	-	-	-	-
Tuition	541,483	667,811	469,536	551,302	498,833	550,545	852,065	815,738	835,688	520,701
Health Services	247,986	252,321	237,883	226,704	189,020	249,763	239,601	241,727	228,614	222,847
Student & Instruction Related	1,851,245	-	-	-	-	-	-	-	-	-
Services	280,741	1,737,838	1,693,204	1,548,778	1,473,423	1,631,718	1,430,890	1,471,481	1,383,614	1,280,610
Educational Media Services/	967,348	-	-	-	-	-	-	-	-	-
School Library	1,140,016	227,599	228,077	197,283	203,554	263,063	254,759	243,400	256,486	251,526
School Administrative Services	1,896,008	975,756	912,921	926,003	888,345	897,360	955,857	941,835	923,291	893,488
Other Administrative Services	1,020,021	1,232,478	1,143,910	1,077,637	995,151	1,230,613	1,159,844	1,157,774	1,119,740	1,051,215
Plant Operations & Maintenance	8,082,560	1,806,854	1,617,858	1,843,832	2,067,268	2,121,507	2,114,781	2,060,916	1,840,068	1,817,682
Pupil Transportation	36,314	891,983	894,954	874,561	813,623	881,514	986,017	886,463	1,090,043	1,005,439
Employee Benefits	472,209	5,564,069	5,608,421	5,069,778	4,782,545	4,625,828	4,348,266	4,849,653	5,051,477	4,281,581
Transfers to Charter Schools	73,990	36,200	25,116	8,304	-	-	-	-	-	-
Interest on Long-Term Debt	-	472,077	545,156	623,908	706,341	587,058	712,661	778,495	836,558	792,389
Reduction of Capital Leases	-	-	-	-	-	-	-	(48,312)	(46,732)	22,755
Amortization of Debt Costs	2,905,087	13,348	34,567	34,567	34,567	20,834	12,594	12,595	12,595	7,347
Increase in Compensated Absences	-	37,091	162,915	-	190,779	(291,299)	209,942	(64,704)	63,805	78,312
Unallocated	-	-	-	-	(332,956)	-	(291,385)	(10,117)	2,090,720	-
Reduction in Fixed Assets	-	167,641	(41,788)	-	1,859,382	766,064	752,805	763,681	802,479	819,125
Unallocated Depreciation	1,317,145.00	1,020,858	1,007,469	1,000,626	1,859,382	766,064	752,805	763,681	802,479	819,125
Total Governmental Activities	30,639,867	24,824,740	24,005,785	22,699,289	23,259,025	22,947,636	22,886,536	22,860,863	25,186,749	21,788,739
Expenses										
Business-Type Activities:										
Food Service	502,815	477,165	489,951	564,696	551,004	544,820	588,419	583,602	583,894	505,810
Extended Day Care	423,550	406,180	441,588	413,671	442,940	495,785	555,646	434,681	416,805	344,549
Total Business-Type Activities	928,365	883,345	931,539	978,367	993,944	1,040,605	1,144,065	1,018,283	1,000,699	850,359
Expense										
Total District Expenses	\$ 31,568,232	\$ 25,708,085	\$ 24,937,324	\$ 23,677,656	\$ 24,252,969	\$ 23,988,241	\$ 24,030,601	\$ 23,879,146	\$ 26,187,448	\$ 22,639,098

LUMBERTON TOWNSHIP BOARD OF EDUCATION
 CHANGES IN Net Position - (ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30,										
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 4,948,577	\$ 626,525	\$ 583,190	\$ 600,087	\$ 734,567	\$ 650,800	\$ 537,505	\$ 556,080	\$ 589,920	\$ 599,291
Total Governmental Activities Program Revenues	4,948,577	626,525	583,190	600,087	734,567	650,800	537,505	556,080	589,920	599,291
Business-Type Activities:										
Charges for Services:										
Food Service	305,520	326,640	332,655	399,890	412,885	417,580	421,107	408,904	393,379	381,091
Extended Day Care	479,302	478,293	477,286	451,586	440,920	479,676	556,238	566,794	515,932	492,890
Operating Grants & Contributions	231,296	180,041	170,902	166,185	159,133	146,738	138,404	134,239	140,503	109,629
Adjustment to Fixed Assets	(107,501)	-	35,093	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	908,617	984,974	984,974	980,843	1,017,661	1,012,938	1,043,994	1,115,749	1,109,937	1,049,814
Total District Program Revenues	\$ 5,857,194	\$ 1,611,499	\$ 1,568,164	\$ 1,580,930	\$ 1,752,228	\$ 1,663,738	\$ 1,581,499	\$ 1,671,829	\$ 1,699,857	\$ 1,649,105
Net/(Expense)/Revenue:										
Governmental Activities	\$ (25,691,290)	\$ (24,198,215)	\$ (23,422,595)	\$ (22,099,202)	\$ (22,524,458)	\$ (22,296,836)	\$ (22,349,031)	\$ (22,304,783)	\$ (24,596,829)	\$ (21,189,448)
Business-Type Activities	(19,748)	101,629	53,435	2,476	23,717	(27,667)	(100,071)	97,466	109,238	199,455
Total District-Wide Net Expense	\$ (25,711,038)	\$ (24,096,586)	\$ (23,369,160)	\$ (22,096,726)	\$ (22,500,741)	\$ (22,324,503)	\$ (22,449,102)	\$ (22,207,317)	\$ (24,487,591)	\$ (20,989,993)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 12,338,726	\$ 12,096,791	\$ 11,926,593	\$ 11,692,738	\$ 11,692,738	\$ 11,663,728	\$ 11,640,334	\$ 11,742,567	\$ 11,730,134	\$ 11,105,202
Taxes Levied for Debt Service	1,488,731	2,043,080	2,018,353	2,018,353	2,018,353	1,839,260	1,800,667	1,841,871	1,724,154	1,769,495
Unrestricted/Restricted Grants & Contributions	9,226,856	10,986,413	11,613,041	11,220,435	10,125,014	9,817,447	10,687,221	9,905,597	9,923,983	9,225,587
Tuition Received	113,187	80,659	27,045	27,449	10,408	7,039	7,891	10,024	3,347	4,892
Investment Earnings	-	-	-	27,328	60,793	29,984	36,052	138,141	235,938	205,540
Miscellaneous Income	429,572	289,231	95,207	111,760	29,628	39,772	12,016	22,395	3,092	21,626
Unallocated Amortization	45,243	-	-	-	-	-	-	-	-	-
Reduction in Compensated Absences	81,182	-	-	7,601	-	-	-	-	-	-
Total Governmental Activities	23,723,497	25,496,174	25,680,239	25,105,664	23,936,934	23,397,230	24,184,181	23,660,595	23,620,648	22,332,342

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN Net Position - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Business-Type Activities:										
Investment Earnings	597	323	508	2,437	3,953	1,810	3,272	12,361	21,016	14,309
Total Business-Type Activities	597	323	508	2,437	3,953	1,810	3,272	12,361	21,016	14,309
Total District-Wide	\$ 23,724,094	\$ 25,496,497	\$ 25,680,747	\$ 25,108,101	\$ 23,940,887	\$ 23,399,040	\$ 24,187,453	\$ 23,672,956	\$ 23,641,664	\$ 22,346,651
Change in Net Position:										
Governmental Activities	\$ (1,967,793)	\$ 1,297,959	\$ 2,257,644	\$ 3,006,462	\$ 1,412,476	\$ 1,100,394	\$ 1,835,150	\$ 1,355,812	\$ (976,181)	\$ 1,142,894
Business-Type Activities	(19,151)	101,952	53,943	4,913	27,670	(25,857)	(96,799)	109,827	130,254	213,764
Total District	\$ (1,986,944)	\$ 1,399,911	\$ 2,311,587	\$ 3,011,375	\$ 1,440,146	\$ 1,074,537	\$ 1,738,351	\$ 1,465,639	\$ (845,927)	\$ 1,356,658

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 3,251,557	\$ 4,689,059	\$ 4,941,044	\$ 3,890,627	\$ 1,933,662	\$ 2,355,443	\$ 3,525,013	\$ 2,982,259	\$ 2,888,519	\$ 3,374,320
Committed			49,999	-	-	-	-	-	-	-
Assigned	370,526	-	-	-	-	-	-	-	-	-
Unassigned		(225,561)	(362,047)	418,021	1,378,353	108,301	(136,782)	97,567	237,229	52,400
Total General Fund	\$ 3,622,083	\$ 4,463,498	\$ 3,312,014	\$ 2,463,744	\$ 3,388,231	\$ 3,079,826	\$ 3,125,748	\$ 3,426,720	\$ 3,238,996	\$ 1,842,974
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,523
Committed	-	390,786	383,237	-	-	-	-	-	-	-
Restricted, Reported in:										
Special Revenue Fund	772,605	-	-	-	-	-	-	(1,995)	(1,995)	-
Capital Projects Fund	-	210,888	450,057	1,133,906	1,580,950	-	-	-	28,384	3,095
Debt Service Fund	1	2	1	-	52,825	52,827	28,389	28,387	838	838
Total All Other Governmental Funds	\$ 772,606	\$ 601,676	\$ 833,295	\$ 1,133,906	\$ 1,633,775	\$ 52,827	\$ 28,389	\$ 26,392	\$ 27,227	\$ 94,456

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local Tax Levy	\$ 13,827,457	\$ 14,139,871	\$ 13,944,946	\$ 13,711,091	\$ 13,711,091	\$ 13,502,988	\$ 13,441,001	\$ 13,584,438	\$ 13,454,288	\$ 12,874,697
Tuition	113,187	80,659	27,045	27,449	10,408	7,039	7,891	10,024	3,347	4,892
Interest	-	-	-	26,443	56,634	28,332	36,033	138,119	235,905	205,515
Interest on Capital Reserve	-	-	-	885	4,159	1,652	19	22	33	25
Miscellaneous	429,572	289,231	95,207	111,760	29,628	39,772	12,016	22,395	3,092	21,626
State Sources	11,229,830	10,966,009	11,591,240	10,882,973	10,097,373	8,510,467	10,692,036	9,948,457	9,969,905	9,281,430
Federal Sources	630,619	646,929	604,991	937,549	762,208	1,957,780	532,690	513,220	543,998	543,448
Total Revenue	26,230,665	26,122,699	26,263,429	25,698,150	24,671,501	24,048,030	24,721,686	24,216,675	24,210,568	22,931,633
Expenditures:										
Instruction	9,807,714	9,720,816	9,465,586	8,716,006	8,889,150	9,413,068	9,147,839	8,760,238	8,743,722	8,124,026
Undistributed Instruction	13,740,688	13,356,709	12,806,764	12,315,878	11,911,762	12,451,911	12,342,080	12,668,987	11,325,089	10,029,970
Capital Outlay	1,258,052	621,910	375,845	860,597	5,491,925	183,308	89,349	17,196	268,071	531,258
Debt Service:	2,052,744	2,959,181	3,570,381	3,550,588	2,949,446	2,899,792	2,832,016	2,817,011	2,894,767	2,874,024
Total Expenditures	26,859,198	26,658,616	26,218,576	25,443,069	29,242,283	24,948,079	24,411,284	24,263,432	23,231,649	21,559,278
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(628,533)	(535,917)	44,853	255,081	(4,570,782)	(900,049)	310,402	(46,757)	978,919	1,372,355
Other Financing Sources/(Uses):										
Proceeds from Borrowing	-	-	-	-	7,000,000	-	-	-	-	-
Cancellation of Grant Receivable	(5,638)	-	-	-	-	-	-	-	-	-
Capital Lease Proceeds	-	175,000	-	249,988	-	-	-	-	250,000	-
Transfers to Charter Schools	(36,314)	(36,200)	(25,116)	(8,304)	-	-	-	-	-	-
Transfers in	-	-	407,950	349,750	-	-	-	28,384	-	-
Transfers Out	-	-	(407,950)	(349,750)	-	-	-	(28,384)	-	-
Total Other Financing Sources/ (Uses)	(41,952)	138,800	(25,116)	241,684	7,000,000	-	-	-	250,000	-
Net Change in Fund Balances	\$ (670,485)	\$ (397,117)	\$ 19,737	\$ 496,765	\$ 2,429,218	\$ (900,049)	\$ 310,402	\$ (46,757)	\$ 1,228,919	\$ 1,372,355
Debt Service as a Percentage of Noncapital Expenditures	7.6%	11.1%	13.6%	14.0%	10.1%	11.6%	11.6%	11.6%	12.5%	13.3%

Source: District records
Note: Noncapital expenditures are total expenditures less capital outlay

LUMBERTON TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDED JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TUITION	TOTAL
2015	\$ 6,421.41	\$ 423,150.59	\$ 113,187.00	\$ 542,759.00
2014	7,907	268,305	80,659	356,871
2013	7,907	73,648	27,045	108,600
2012	27,328	111,760	27,449	166,537
2011	60,793	29,628	10,408	100,829
2014	29,984	39,772	7,039	76,795
2009	36,052	12,016	7,891	55,959
2008	138,141	22,395	10,024	170,560
2007	235,938	3,092	3,347	242,377
2006	205,540	21,626	4,892	232,058

Source: District Records

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Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2015	\$9,972,300	\$1,130,249,300	19,771,000	1,983,400	132,675,900	65,632,623	29,091,200	1,389,375,723	1,997,273	1,391,372,996	1.019	1,396,504,323
2014	10,798,700	1,153,722,800	20,915,900	1,948,180	134,718,400	64,115,823	29,352,400	1,415,572,203	1,945,138	1,417,517,341	1.389	1,420,703,445
2013	10,631,900	1,168,180,400	20,715,800	2,446,300	134,628,400	63,115,823	29,352,400	1,429,071,023	1,838,276	1,427,232,747	1.364	1,539,364,038
2012	11,087,100	1,180,483,600	20,403,100	2,002,800	132,617,800	63,115,823	28,954,400	1,438,664,623	2,001,088	1,436,663,535	1.309	1,445,922,334
2011	11,698,400	1,187,781,700	20,484,200	1,902,800	131,564,300	64,304,600	28,954,400	1,446,690,400	2,285,933	1,444,404,467	1.301	1,523,480,241
2014	11,597,000	1,190,946,000	20,915,300	1,923,700	127,543,600	64,941,400	28,954,400	1,446,821,400	2,245,784	1,444,575,616	1.251	1,566,514,606
2009	11,963,500	1,191,093,800	20,850,000	1,997,980	143,617,300	57,756,100	28,954,400	1,456,233,080	2,213,653	1,454,019,427	1.255	1,433,155,780
2008	12,793,600	1,194,523,300	19,555,800	1,980,100	115,446,100	57,422,000	30,929,800	1,432,650,700	2,115,070	1,430,535,630	1.269	1,301,375,968
2007	5,357,300	601,863,900	10,190,000	1,112,600	71,115,200	29,051,100	21,610,300	740,300,400	1,197,965	739,102,435	2.384	1,272,162,007
2006	10,342,300	57,690,010	9,314,100	1,199,500	63,004,800	29,140,800	21,610,300	192,301,810	1,448,392	190,853,418	2.305	1,058,709,552

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE	
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	LUMBERTON TOWNSHIP	MUNICIPAL OPEN SPACE		BURLINGTON COUNTY
2015	1.019	0.398	1.417	0.416	0.010	0.400	2.243
2014	0.997	0.392	1.389	0.365	0.010	0.378	2.142
2013	0.974	0.390	1.364	0.348	0.010	0.406	2.128
2012	0.951	0.358	1.309	0.331	0.010	0.381	2.031
2011	0.947	0.354	1.301	0.314	0.009	0.400	2.024
2014	0.932	0.319	1.251	0.298	0.009	0.411	1.969
2009	0.937	0.318	1.255	0.258	0.010	0.408	1.931
2008	0.948	0.321	1.269	0.400	0.010	0.383	2.062
2007	1.815	0.569	2.384	0.406	0.010	0.757	3.557
2006	1.806	0.499	2.305	0.405	0.030	0.677	3.417

Source: Municipal Tax Collector

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2015		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
CVS New York	\$ 31,950,000	1	2.30%
Whitehall Apartments Association	12,900,000	2	0.93%
BF Saul Holdings LTD Partnership	12,000,000	3	0.86%
Newman Development Group of Hainesport	10,354,400	4	0.75%
Wal-Mart	10,116,600	5	0.73%
East Coast Lumberton Apartments, LLC	8,400,000	6	0.60%
Burlington Geriatric Centers, INC	8,180,000	7	0.59%
541 Associates	7,700,000	8	0.55%
Evergreen I Associates, LLC	7,000,000	9	0.50%
92 Ark Road Associates LLC	6,000,000	10	0.43%
Total	\$114,601,000		8.25%

	2006		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE

INFORMATION CURRENTLY UNAVAILABLE

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2015	\$ 13,827,457	\$ 13,827,457	100.00%
2014	14,139,871	14,139,871	100.00%
2013	13,944,946	13,944,946	100.00%
2012	13,711,091	13,711,091	100.00%
2011	13,711,091	13,711,091	100.00%
2014	13,502,988	13,502,988	100.00%
2009	13,441,001	13,441,001	100.00%
2008	13,584,438	13,584,438	100.00%
2007	13,454,288	13,454,288	100.00%
2006	12,874,697	12,874,697	100.00%

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES			
2015	\$ 10,165,000		\$ 156,881	\$ 10,321,881	N/A	
2014	11,905,000	-	240,176	12,145,176	N/A	
2013	14,415,000	-	148,234	14,563,234	1,170.02	
2012	17,455,000	-	194,988	17,649,988	1,414.38	
2011	20,295,000	-	-	20,295,000	1,618.68	
2010	15,725,000	-	-	15,725,000	1,252.79	
2009	17,885,000	-	51,633	17,936,633	1,428.99	
2008	19,985,000	-	101,578	20,086,578	1,679.90	
2007	22,005,000	-	149,890	22,154,890	1,847.93	
2006	23,935,000	-	196,622	24,131,622	1,999.31	
2005	25,820,000	-	-	25,820,000	2,113.62	

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	\$10,165,000		10,165,000	0.71%	N/A
2014	11,905,000		11,905,000	0.83%	N/A
2013	14,415,000		14,415,000	1.00%	1,153.29
2012	17,455,000		17,455,000	1.20%	1,393.28
2011	20,295,000		20,295,000	1.40%	1,612.89
2014	15,725,000		15,725,000	1.09%	1,250.89
2009	17,885,000		17,885,000	1.23%	1,495.78
2008	19,985,000		19,985,000	1.37%	1,666.94
2007	22,005,000		22,005,000	1.53%	1,823.12
2006	23,935,000		23,935,000	3.23%	1,959.32

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lumberton Township	\$ 5,635,783	100.000%	\$5,635,783
Burlington County	303,356,410	3.180%	9,646,734
Rancocas Valley Regional High School*	18,433,000	32.216%	5,938,317
Subtotal, Overlapping Debt			21,220,834
Lumberton Township Board of Education			10,165,000
Total Direct & Overlapping Debt			\$31,385,834

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

*As of June 30, 2014 Audit Number

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$42,134,075	43,246,946	43,190,454	44,084,444	45,071,339	45,678,901	44,348,648	41,078,998	36,302,100	36,308,471
Total Net Debt Applicable to Limit	10,165,000	11,905,000	14,415,000	17,455,000	20,295,000	15,725,000	17,885,000	19,985,000	22,005,000	23,935,000
Legal Debt Margin	<u>\$31,969,075</u>	<u>31,341,946</u>	<u>28,775,454</u>	<u>26,629,444</u>	<u>24,776,339</u>	<u>29,953,901</u>	<u>26,463,648</u>	<u>21,093,998</u>	<u>14,297,100</u>	<u>12,373,471</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.13%	27.53%	33.38%	39.59%	45.03%	34.43%	40.33%	48.65%	60.62%	65.92%

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized Valuation Basis	
2014	\$1,426,076,263
2013	1,361,258,008
2012	<u>1,426,073,263</u>
	<u>\$4,213,407,534</u>
Average Equalized Valuation of Taxable Property	<u>\$1,404,469,178</u>
Debt Limit (3 % of Average Equalization Value)	\$42,134,075
Net Bonded School Debt	<u>10,165,000</u>
Legal Debt Margin	<u>\$31,969,075</u>

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	BURLINGTON	UNEMPLOYMENT
		COUNTY PER CAPITA INCOME	
2015	N/A	N/A	N/A
2014	12,447	N/A	6.50%
2013	12,479	51,638	8.00%
2012	12,538	51,149	8.80%
2011	12,552	49,471	8.50%
2010	12,552	47,586	9.20%
2009	11,957	47,384	8.50%
2008	11,989	47,758	4.70%
2007	12,070	46,295	3.50%
2006	12,216	44,519	3.80%

Source: NJ Dept of Labor and Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2015	2006
	EMPLOYEES	EMPLOYEES
CVS Corporation	1,200	N/A
Celebration	210	N/A
Lumberton Board of Education	253	N/A
Total	1,663	N/A

Source: Burlington County Economic Development

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
INFORMATION CURRENTLY UNAVAILABLE**

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Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**LUMBERTON TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	1,501	\$23,548,402	15,688	1.50%	127	11.82/1	1,478	1,418	-1.27%	95.94%
2014	1,493	23,077,525	15,457	6.18%	132	11.31/1	1,497	1,440	-2.22%	96.19%
2013	1,530	22,272,350	14,557	13.58%	122	12.54/1	1,531	1,471	-6.70%	96.08%
2012	1,641	21,031,912	12,817	2.65%	142	11.55/1	1,641	1,588	-1.44%	96.77%
2011	1,666	20,800,912	12,486	-3.67%	131	12.72/1	1,665	1,596	-1.36%	95.86%
2010	1,687	21,864,979	12,961	2.95%	155	10.88/1	1,688	1,617	-1.06%	95.79%
2009	1,707	21,489,919	12,589	0.69%	163	10.47/1	1,706	1,642	-0.70%	96.25%
2008	1,714	21,429,225	12,502	2.05%	163	10.52/1	1,718	1,653	-1.83%	96.22%
2007	1,749	21,427,324	12,251	7.07%	163	10.73/1	1,750	1,680	-0.34%	96.00%
2006	1,754	20,068,811	11,442	5.67%	164	10.66/1	1,756	1,686	0.11%	96.01%

Sources: District records

Note: Enrollment based on annual October district count.

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

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools:										
Bobby's Run School:										
Square Feet	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110
Capacity (Students)	415	415	415	415	415	415	415	415	415	415
Enrollment	336	337	329	361	386	358	387	388	379	386
Florence L. Walther School:										
Square Feet	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment	302	293	316	359	350	380	370	370	395	402
Ashbrook School:										
Square Feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300
Capacity (Students)	402	402	402	402	402	402	402	402	402	402
Enrollment	297	326	324	349	350	364	372	385	393	388
Middle School:										
Lumberton Middle School:										
Square Feet	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106
Capacity (Students)	634	634	634	634	634	634	634	634	634	634
Enrollment	566	537	561	572	580	585	578	571	582	578

Number of Schools at June 30, 2015:

Elementary = 3

Middle School = 1

Source: District Facilities Office

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	PROJECT #	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Bobby's Run School	Required Maintenance	\$ 54,304	\$ 39,750	\$ 45,329	\$ 52,417	\$ 26,053	\$ 34,324	\$ 45,114	\$ 39,747	\$ 36,122	\$ 28,225
Lumberton Middle School	Required Maintenance	88,710	67,935	63,790	64,410	40,847	48,016	63,687	56,969	50,501	41,391
Florence L. Walther School	Required Maintenance	41,350	23,984	44,590	38,786	35,267	32,828	44,014	38,104	28,341	46,296
Ashbrook School	Required Maintenance	25,696	27,045	34,936	37,024	23,366	27,619	36,022	29,951	28,765	23,137
District-Wide Items	Required Maintenance	2,792	3,356	3,606	6,963	-	-	-	-	-	-
Total		\$212,852	\$ 162,070	\$ 192,251	\$ 199,600	\$ 125,533	\$ 142,787	\$ 188,837	\$ 164,771	\$ 143,729	\$ 139,049

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

Source: District records

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	\$250,000	500
General Liability / Auto Liability	250,000	
Educators Legal Liability	100,000	
Workers Compensation	250,000	
Crime	250,000	500
Boiler and Machinery	NONE	
Pollution Liability	NONE	
Cyber Liability	NONE	
School Pool For Excess Liability Limits		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	150,000,000	
Crime	500,000	
Workers Compensation	Statutory	
General Liability / Auto Liability	15,000,000	
Educators' Legal Liability	15,000,000	
Boiler and Machinery	125,000,000	1,000
Pollution Liability	3,000,000	25,000
Cyber Liability	1,000,000	25,000
Selective Insurance Compnay of America		

SINGLE AUDIT SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey 08048

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lumberton Township Board of Education's basic financial statements, and have issued our report thereon dated December 04, 2015.

Internal Control Over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
December 4, 2015



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

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EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A- 133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey 08048

Report on Compliance for Each Major Federal and State Program

We have audited the Lumberton Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2015. The Lumberton Board of Education's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lumberton Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain

reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Lumberton Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Lumberton Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Lumberton Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lumberton Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lumberton Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
December 04, 2015

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LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		
				JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:						
Food Distribution Program	10.550	\$ 32,335	7/1/14-6/30/15	\$ -	\$ 32,335	\$ -
National School Lunch Program	10.555	145,459	7/1/14-6/30/15	-	132,810	(12,649)
National School Lunch Program	10.555	140,432	7/1/13-6/30/14	(10,434)	10,434	-
National School Breakfast Program	10.555	41,843	7/1/14-6/30/15	-	38,092	(3,751)
Healthy Hungry Kids Act	10.551	6,251	7/1/14-6/30/15	-	5,705	(546)
Healthy Hungry Kids Act	10.551	6,538	7/1/13-6/30/14	(479)	479	-
Special Milk Program	10.556	228	7/1/13-6/30/14	(31)	31	-
Special Milk Program	10.556	579	7/1/14-6/30/15	-	536	(43)
Total U.S. Department of Agriculture				(10,944)	220,422	(16,989)

**U.S. DEPARTMENT OF EDUCATION PASSED-
THROUGH STATE DEPARTMENT OF EDUCATION:**

Medical Assistance Program (SEMI)	93.778	60,873	9/1/14-8/31/15	-	33,996	(26,877)
Medical Assistance Program (SEMI) - ARRA	93.778	11,245	9/1/14-8/31/15	-	11,245	-
Title I	84.010A	160,531	9/1/14-8/31/15	-	146,878	(13,653)
Title I	84.010A	165,338	9/1/13-8/31/14	(38,119)	38,119	-
Title II A	84.367	32,806	9/1/14-8/31/15	-	32,723	(637)
Title II A	84.367	31,696	9/1/13-8/31/14	(9,055)	9,055	-
I.D.E.A. Basic	84.027	359,087	9/1/14-8/31/15	-	359,087	-
I.D.E.A. Basic	84.027	352,146	9/1/13-8/31/14	(13,294)	13,294	-
I.D.E.A. Preschool	84.173	28,738	9/1/14-8/31/15	-	28,738	-
I.D.E.A. Preschool	84.027	28,836	9/1/13-8/31/14	(390)	390	-
Total U.S. Department of Education				(60,858)	673,525	(40,530)
Total Federal Financial Assistance				\$ (71,802)	\$ 893,947	\$ (637)

LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANTOR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	JUNE 30, 2015		MEMO	
				JUNE 30, 2014	JUNE 30, 2015				(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:												
General Fund:												
Equalization Aid	495-034-5120-078	\$ 6,879,838	7/1/14-6/30/15	\$ -	\$ -	6,879,838	(6,879,838)	-	-	\$ -	\$ -	6,879,838
Special Education Aid	495-034-5120-089	903,723	7/1/14-6/30/15	-	-	903,723	(903,723)	-	-	-	-	903,723
Transportation Aid	495-034-5120-014	208,437	7/1/14-6/30/15	-	-	208,437	(208,437)	-	-	-	-	208,437
Security Aid	495-034-5120-084	141,349	7/1/14-6/30/15	-	-	141,349	(141,349)	-	-	-	-	141,349
Adjustment Aid	495-034-5120-085	31,980	7/1/14-6/30/15	-	-	31,980	(31,980)	-	-	-	-	31,980
PARCC Readiness Aid	495-034-5120-098	14,840	7/1/14-6/30/15	-	-	14,840	(14,840)	-	-	-	-	14,840
Per Pupil Growth Aid	495-034-5120-097	14,840	7/1/14-6/30/15	-	-	14,840	(14,840)	-	-	-	-	14,840
Non Public Transportation Aid	495-034-5120-014	15,268	7/1/14-6/30/15	-	-	15,268	(15,268)	-	-	(15,268)	-	15,268
Non Public Transportation Aid	495-034-5120-014	15,369	7/1/13-6/30/14	(15,369)	-	15,369	-	-	-	(17,222)	-	17,222
Extraordinary Aid	100-034-5120-473	17,222	7/1/14-6/30/15	-	-	17,222	(17,222)	-	-	-	-	-
Extraordinary Aid	100-034-5120-473	15,895	7/1/13-6/30/14	(15,895)	-	15,895	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-001	808,478	7/1/14-6/30/15	-	-	808,478	(808,478)	-	-	-	-	808,478
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-001	509,277	7/1/14-6/30/15	-	-	509,277	(509,277)	-	-	-	-	509,277
Reimbursed TPAF Social Security Contributions	100-034-5095-002	757,337	7/1/14-6/30/15	-	-	757,337	(757,337)	-	-	(33,350)	-	757,337
Reimbursed TPAF Social Security Contributions	100-034-5095-002	754,696	7/1/13-6/30/14	(33,988)	-	33,988	-	-	-	-	-	-
Total General Fund				(65,252)	10,302,001	(10,302,589)			(65,840)	811,835		10,302,589
Special Revenue Fund:												
Nonpublic Textbook	100-034-5120-064	219	7/1/13-6/30/14	219	-	-	-	(219)	-	-	-	-
Nonpublic Nursing Services	100-034-5120-070	309	7/1/13-6/30/14	309	-	-	-	(309)	-	-	-	-
Nonpublic Technology Services	100-034-5120-073	80	7/1/13-6/30/14	80	-	-	-	(80)	-	-	-	-
Total Special Revenue Fund Assistance				608	-	-	-	(608)	-	-	-	-
Capital Projects Fund:												
ROD Grant (Project #2850-060-10-2002)	GS-4316		7/1/12-completion	(1,829)	573	-	-	-	-	1,256	-	-
ROD Grant (Project #2850-060-10-2003)	GS-4317		7/1/12-completion	(52,739)	50,304	-	-	-	-	2,435	-	-
ROD Grant (Project #2850-060-10-2004)	GS-4318		7/1/12-completion	(37,575)	35,628	-	-	-	-	1,947	-	-
ROD Grant (Project #2850-010-14-1001)	GS-4989	89,548	3/26/14-completion	-	-	(60,139)	-	-	(60,139)	-	-	60,139
ROD Grant (Project #2850-020-14-1003)	GS-4990	121,584	3/26/14-completion	-	-	(43,168)	-	-	(43,168)	-	-	43,168
ROD Grant (Project #2850-050-14-1005)	GS-4991	194,368	3/26/14-completion	-	-	(170,090)	-	-	(170,090)	-	-	170,090
ROD Grant (Project #2850-060-14-1007)	GS-4992	158,433	3/26/14-completion	-	-	(116,864)	-	-	(116,864)	-	-	116,864
Total Capital Projects Fund Assistance				(92,143)	86,505	(390,261)			(390,261)	5,638		390,261
Debt Service Fund:												
Debt Service Aid Type II	495-034-5120-075	564,012	7/1/14-6/30/15	-	564,012	(564,012)						564,012
Total Debt Service Fund Assistance				-	564,012	(564,012)						564,012
Enterprise Fund:												
National School Lunch Program (State Share)	100-010-3350-023	4,829	7/1/14-6/30/15	-	4,408	(4,829)			(421)	-	-	4,829
National School Lunch Program (State Share)	100-010-3350-023	5,291	7/1/13-6/30/14	(659)	659	-				-	-	-
Total Enterprise Fund				(659)	5,067	(4,829)			(421)	-	-	4,829
Total State Financial Assistance				\$ (157,446)	\$ 10,957,585	\$ (11,261,691)		(608)	\$ 5,638	\$ (456,522)	\$ -	\$ 811,835
Less: Grants Not Subject to New Jersey OMB Circular 04-04 and/or 15-08:												
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	100-034-5095-001	835,877	7/1/14-6/30/15			\$ -	808,478					
On-Behalf TPAF Pension Contributions (Nonbudgeted)	100-034-5095-001	945,166	7/1/14-6/30/15				509,277					
Total State Financial Assistance subject to New Jersey OMB Circular 04-04 and/or 15-08						\$ (9,943,936)						

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015**

1. General

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

2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. The basis of accounting is described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$27,032) for the general fund and (\$21,941) for the special revenue fund. See Exhibit C-3, notes to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented on the following page:

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2015**

3. Relationship to Basic Financial Statements (continued):

	State	Federal	Total
General Fund	\$ 10,275,557	\$ 72,118	\$ 10,347,675
Special Revenue Fund	-	558,501	558,501
Capital Projects Fund	390,261	-	390,261
Debt Service Fund	564,012	-	564,012
Food Service Fund	4,829	226,467	231,296
Total Awards and Financial Assistance	\$ 11,234,659	\$ 857,086	\$ 12,091,745

4. Relationship to Federal and State Financial Reports

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

5. Federal and State Loans Outstanding

The Lumberton Board of Education had no loan balances outstanding at June 30, 2015.

6. Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. Part B - Basic Regular
84.173	I.D.E.A. Part B - Preschool

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I – Summary of Auditor’s Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 and/or 15-08	No

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

None Reported

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04 and/or 15-08, as applicable.

None Reported

**LUMBERTON TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal awards and state financial assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings