

**BOROUGH OF LINDENWOLD**

**SCHOOL DISTRICT**

**LINDENWOLD, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
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## **INTRODUCTORY SECTION**



# LINDENWOLD PUBLIC SCHOOLS

Administration Building • 801 Egg Harbor Road • Lindenwold, New Jersey 08021

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November 18, 2016

Honorable President and  
Members of the Board of Education  
Lindenwold School District  
County of Camden, New Jersey

Dear President and Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the Lindenwold School District (District) for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose 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, Uniform Guidance, and the State of New Jersey Circular 15-08-OMB "Single Audit Policy for Recipient of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Lindenwold 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 Lindenwold Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through grade 12. These include regular and special education for handicapped students. The District completed the 2015-2016 fiscal year with an enrollment of two-thousand, seven hundred sixty-seven (2,767) students. The following details the changes in the student enrollment of the District over the last ten years.

**AVERAGE DAILY ENROLLMENT**

<u>FISCAL</u>	<u>STUDENT ENROLLMENT</u>	<u>INCREASE/ DECREASE</u>	<u>PERCENT CHANGE</u>
2015-16	2767	134	5.1
2014-15	2633	160	6.4
2013-14	2473	60	2.5
2012-13	2413	98	4.2
2011-12	2315	27	1.2
2010-11	2288	44	2.0
2009-10	2244	24	1.1
2008-09	2220	(50)	(2.2)
2007-08	2270	(70)	(3.0)
2006-07	2340	(69)	(2.9)

2. **ECONOMIC CONDITION AND OUTLOOK:** The Borough of Lindenwold is a moderate-sized suburban community of 3.9 square miles. Lindenwold is composed of 91.8% residential properties, which includes 24 apartment complexes or 26.5% of the residential value; 7.5% commercial property and three industrial properties.

Lindenwold was incorporated as a Borough in 1929. Established primarily as a residential community, Lindenwold still maintains several single family home neighborhoods along with the many apartments and townhouses.

The development of the PATCO high speed line terminal and repair facility prompted much of the development of the multi-family complexes in Lindenwold. Lindenwold also has the Camden County police and fire monitoring center along with the Camden County Public Works Department.

Population census information indicates Lindenwold has a population of 17,613 residents as of the 2010 census.



### **3. MAJOR INITIATIVES (Grades Pre-K - 12<sup>th</sup>):**

This section will be divided into 4 sub-sections: curriculum, assessment, instruction, and professional development.

#### **Curriculum: What Should Students Learn?**

Our major curriculum efforts have continued to focus on developing and implementing quality, up-to-date curricula in all subjects. With all curricula, we ensure alignment to the Common Core, the updated NJ Core Curriculum Content Standards, or the Next Generation Science Standards. We also seek to develop curricular experiences that prepare our students for the rigor of PARCC and/or other state-operated tests. The district prepared and executed a major push to complete all missing curricula, update all out-of-date curricula, and supplement all curricula with missing QSAC-specified supports for Gifted & Talented (GT), Special Education (SPED), English Language Learner (ELL), and other special populations. At this time, all curricula for all subjects PreK-12 are complete and BOE approved.

Our work now turns to the implementation of the newly-written curricula and progress through the curriculum audit cycle. This year marks the third year of implementation of the K-8 ELA and math curricula that we wrote in the summer of 2014. Our original plan was to revise these curricula based on feedback and performance data, but NJ's change away from the Common Core in favor of new NJ Student Learning Standards necessitates a more complete curriculum revision. We will be adjusting our standards and scope and sequence to reflect the new curriculum frameworks for ELA and math (K-8) provided by the NJDOE. This will be ongoing work throughout the year.

#### **Assessment: How Do We Know Students Have Learned?**

In tandem with our curriculum, we continue to create and refine benchmark and classroom assessments aligned to the rigor and expectations of current standards in each discipline. We have made revisions to our benchmarks in ELA and math after implementing the NJDOE's model assessments, and have improved and expanded the process of developing common assessments in the remaining subjects.

Beyond our benchmarks we have continued to work to base our classroom assessments on high-leverage items with constructed responses, opportunities for critical thinking, and application to real-world situations. We are in Year II of improving our work of data collection, analysis, and action-planning at all levels through the formation of data teams. These teams at LMS and, this year, LHS have created item- and standard-analysis templates that teachers will use to determine patterns of individual, grade, department, and school mastery of standards. We are now perfecting our processes of leading teachers to use this data for reflection and instructional action planning.

We also continue to look to innovate in the area of assessment of 21<sup>st</sup> century skills. Our middle school and high school are in Year III of piloting an approach to standards-centered grading that assesses students based on domains or academic categories (e.g., *science application, math processes, reading information*), and also 21<sup>st</sup> century skills as defined by the Partnership for 21<sup>st</sup> Century Skills. These teachers largely have a positive response to the

grading system. The District leads a consortium of districts looking to implement and/or learn more about the potential of this approach to grading.

Looking to the future, our Assessment and Grading Committee will likely be discussing the implementation of standards-based grading at the K-4 level.

### **Instruction: How Do We Teach So that Students Learn?**

As we continue to formulate clear understandings of what students should be learning and what assessments we use to ensure that learning for mastery takes place, we move to the question of how to teach so that all students can learn to high levels. The District continues to use the Danielson framework to ground conversations about teaching and learning, and serve as the focal point for teachers looking to improve their efficacy in the classroom and schools. We also tie in aspects of the Rigor, Relevance, and Relationships concept as shorthand for understanding good instruction from a holistic perspective. These two foundations serve to underpin our efforts to improve our teachers' pedagogical capacities as well as their ability to forge the essential interpersonal relationships on which effective classroom instruction rests.

We maintain our foremost focus on the foundational skills of literacy and math. At the elementary level, added basic skills staff have allowed us to provide more intense interventions to our neediest students. Our instructional vision includes using a Balanced Literacy approach with our earliest grades, and transitioning to a more reader-choice-centered approach through a Reader's Workshop model as students move toward grade 4 and the transition to middle school. At LMS and LHS level, we are implementing a model of literacy across the curriculum and working to ensure that all teachers have the necessary skills to implement the NJSL ELA standards or the ELA standards for Science, Social Studies, and Technical Subjects. Our district-level ELA articulation committee helps steer this work. We have grown extensively in our ability to use the Fountas and Pinell (F&P) system to assess student reading skills and use the data for instructional response. In addition, our MS faculty have honed their implementation of reader's workshop as their instructional framework for ELA classes.

In math we look to our rigor-enhanced benchmarks and data analysis procedures to inform reflective discussions on how to improve instruction and target work by standard. We also benefit from math manipulatives professional learning, provided by our STEM supervisor in response to teachers' call for more math training at the elementary level. Finally, the district participates in grant-funded program that provides intensive PD for three of our math teachers and leaders.

Our ESL classes have undergone significant instructional improvements through the development of curricular scaffolds for our standard curricula. These scaffolds help our teachers understand ELL student needs and develop relevant instructional strategies to meet these students at their WIDA level. We have trained all secondary staff members in Sheltered Instruction in English (SIE) instructional techniques; this work will be ongoing as we continue to shift our overall curricula, assessment, instruction, and professional development needs toward our growing B/ESL population. Our Bilingual/ESL District Committee discusses instructional needs and meets

several times per year to assess our implementation of B/ESL initiatives and discuss instructional improvement.

**Professional Development: How Do We Learn to Improve Our Teaching So That All Students Learn?**

The Lindenwold Schools understand that innovation in professional learning must be part of our process in order to avoid wasting resources on “one-shot” workshops that do little to effect real instructional improvement. We currently receive extensive training in coaching and literacy for our K-8 ELA teachers. In addition we work to expand all of our teachers’ ability to teach ELLs through SIE techniques. We hope to can create meaningful expansion of our skill sets and lasting changes in our instructional habits.

We also remain in the process of developing an online learning management system through which teachers will be able to guide themselves through self-paced modules consisting of instructional videos, reflection and comprehension response questions, and other activities designed to help teachers master material. We intend to provide the infrastructure for teachers to document their progress through a digital badging system, and will encourage teachers with specific skill sets to develop content of their own.

We also seek to expand our ability to use a coaching model for improving teacher performance. Our literacy and math coaches will be working to optimize their coaching practices, and we are working to prioritize coaching as their role in each school.

**4. INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure 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 required estimates and judgments by management.

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

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

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual

appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either 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, 2016.

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

**7. FINANCIAL INFORMATION AT FISCAL YEAR -END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

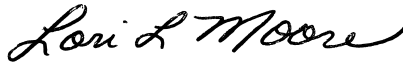
**8. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements:" Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under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

**9. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, worker's compensation liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity funds.

**10. OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, Uniform Guidance, and State of New Jersey Circular 15-08-OMB. The auditor's report on the general purpose financial statements and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of the report.

**11. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Lindenwold Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district, and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

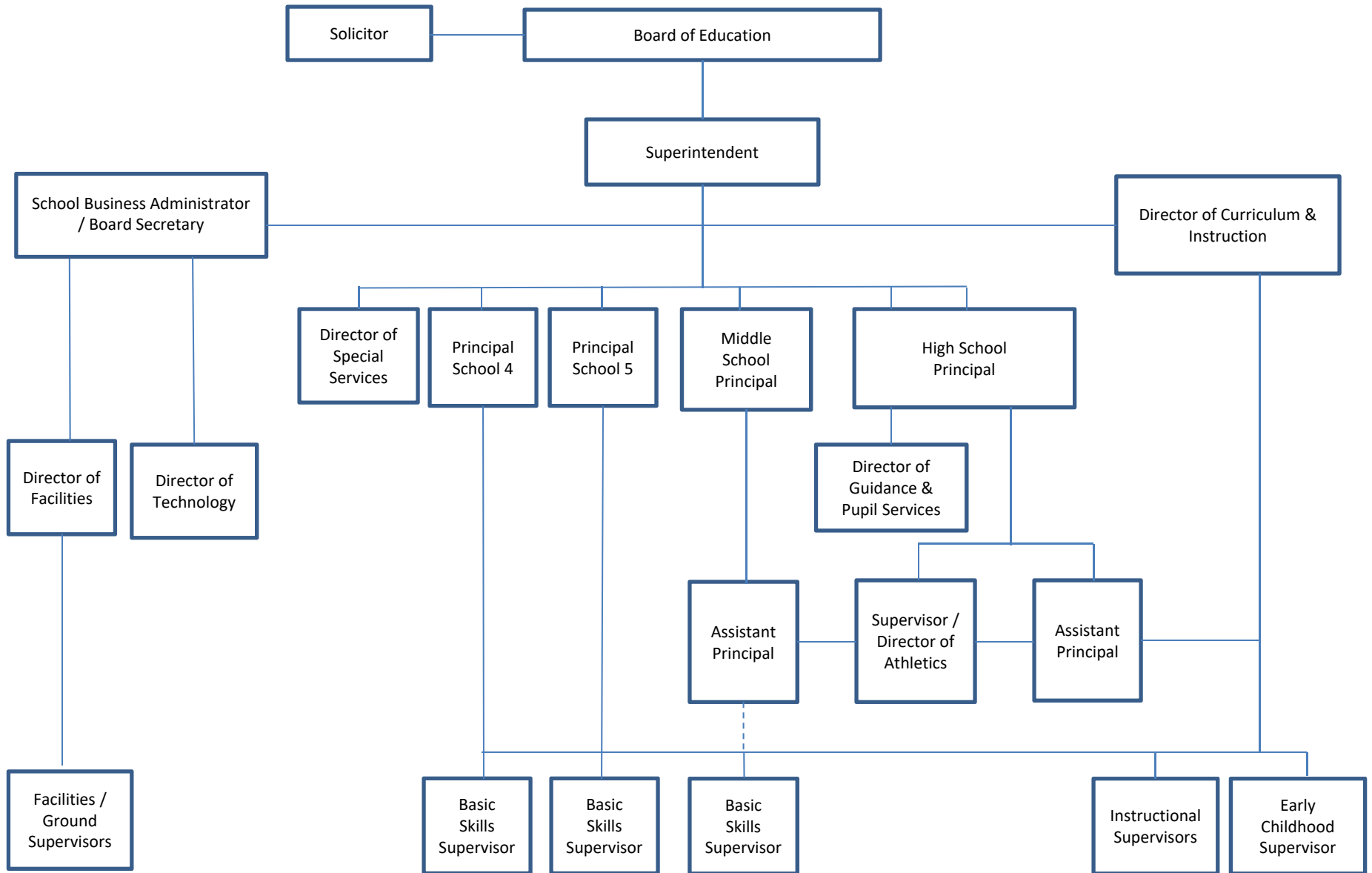


Lori L. Moore, Ed. D.  
Superintendent



Kathleen Huder  
Board Secretary/School Business  
Administrator

## Borough of Lindenwold School District Organizational Chart



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
**LINDENWOLD, NEW JERSEY**  
**ROSTER OF OFFICIALS**  
**JUNE 30, 2016**

**Members of the Board of Education**

**Term**  
**Expires**

Cathy Ann Moncrief, President	2016
Kevin W. McGahey, Vice President	2016
Pam Bragg	2017
Gil Geary	2017
Alethia Gibbs-Smith	2017
Rita A. Heins	2018
Marsha Hershman	2018
Tammy Harkless	2018
Mark Wilson	2016

**Other Officials**

Lori Moore, Superintendent  
Kathleen Huder, Board Secretary/Business Administrator  
Dawn S. Thompson, Treasurer  
Wade, Long, & Wood, LLC, Solicitor

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT  
LINDENWOLD, NEW JERSEY  
CONSULTANTS AND ADVISORS  
JUNE 30, 2016**

**ARCHITECT**

Regan Young England Butera  
456 High Street  
Mount Holly, NJ 08060

**AUDIT FIRM**

Bowman & Company LLP  
Certified Public Accountants  
& Consultants  
601 White Horse Road  
Voorhees, New Jersey 08043

**ATTORNEY**

Wade, Long, & Wood LLC  
1250 Chew Landing Road  
Laurel Springs, New Jersey 08021

**OFFICIAL DEPOSITORY**

Republic Bank  
50 South 16<sup>th</sup> Street, Suite 2400  
Philadelphia, PA 19102



## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Lindenwold School District  
County of Camden

### ***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 Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 School 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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**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, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's contributions, 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 Borough of Lindenwold School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also 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 schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 as a whole.

The introductory section and statistical section listed in the table of contents 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 November 18, 2016 on our consideration of the Borough of Lindenwold School District'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 the Borough of Lindenwold School District's internal control over financial reporting and compliance.

Respectfully submitted,

*Bowman + Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Glen J. Walton*

Glen J. Walton  
Certified Public Accountant  
Public School Accountant  
No. 20C00205000

Voorhees, New Jersey  
November 18, 2016

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Lindenwold School District  
County of Camden

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 18, 2016.

***Internal Control Over Financial Reporting***

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Lindenwold School District'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 Division of Administration and Finance, Department of Education, State of New Jersey.

**Purpose of this Report**

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

Respectfully submitted,

*Bowman + Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Glen J. Walton*

Glen J. Walton  
Certified Public Accountant  
Public School Accountant  
No. 20CS00205000

Voorhees, New Jersey  
November 18, 2016

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)

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The management's discussion and analysis of the Borough of Lindenwold School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016 and 2015. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

**FINANCIAL HIGHLIGHTS**

Financial Highlights for fiscal year 2016:

- The assets of the Borough of Lindenwold School District exceeded its liabilities at the close of the most recent fiscal year by \$8,486,855 (net position).
- The School District's total net position increased by \$1,048,336. This increase is primarily attributable to the Borough of Lindenwold School District's decrease in long-term liabilities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$2,890,878, a decrease of \$3,076,945 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$1,640,050, which is an increase in deficit of \$18,719 in comparison with the prior year.
- The Borough of Lindenwold School District's total debt decreased by \$1,200,000 as a result of debt payments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

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

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



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)**

**Government-Wide Statements**

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

The two government-wide statements report the School District's net position and how they have changed. Net position is the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and is one way to measure the School District's financial health or position. An increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as food services.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds, not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs.

The School District has three kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services.
- *Fiduciary funds* – The School District is the trustee for assets that belong to others. The student activities funds which include clubs, classes, athletic and scholarship funds are maintained in this fund. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the School District is not permitted to use these assets in the School District operation.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Table 1 provides a summary of the School District's net position for fiscal years 2016 and 2015.

<b>TABLE 1</b>				
Net Position				
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
<b>Assets:</b>				
Current and Other Assets	\$ 7,079,719	\$ 7,622,123	\$ (542,404)	-7.12%
Capital Assets	25,968,434	22,816,652	3,151,782	13.81%
<b>Total Assets</b>	<u>33,048,153</u>	<u>30,438,775</u>	<u>2,609,378</u>	<u>8.57%</u>
<b>Deferred Outflows of Resources:</b>				
Related to Pensions	1,726,111	644,054	1,082,057	100.00%
<b>Liabilities:</b>				
Long-Term Liabilities	20,250,420	19,820,469	429,951	2.17%
Other Liabilities	5,715,393	3,131,035	2,584,358	82.54%
<b>Total Liabilities</b>	<u>25,965,813</u>	<u>22,951,504</u>	<u>3,014,309</u>	<u>13.13%</u>
Deferred Inflow of Resources - Related to Pensions	321,596	692,806	(371,210)	100.00%
<b>Net Position:</b>				
Net Investment in Capital Assets	15,171,994	10,716,937	4,455,057	41.57%
Restricted	4,354,541	7,319,463	(2,964,922)	-40.51%
Unrestricted (Deficit)	(11,039,680)	(10,597,881)	(441,799)	4.17%
<b>Total Net Position</b>	<u>\$ 8,486,855</u>	<u>\$ 7,438,519</u>	<u>\$ 1,048,336</u>	<u>14.09%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the effect of pension-related items.

<b>TABLE 2</b>				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,726,111	\$ 644,054	\$ 1,082,057	100.00%
Less: Net Pension Liability	(9,989,106)	(8,315,456)	(1,673,650)	20.13%
Less: Deferred Inflows Related to Pensions	(321,596)	(692,806)	371,210	-100.00%
	<u>\$ (8,584,591)</u>	<u>\$ (8,364,208)</u>	<u>\$ (220,383)</u>	<u>2.63%</u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)**

Table 3 reflects changes in net position for fiscal years 2016 and 2015.

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,122,211	\$ 1,005,622	\$ 116,589	11.59%
Operating Grants and Contributions	5,859,567	4,776,858	1,082,709	22.67%
General Revenues:				
Property Taxes	12,666,087	12,032,325	633,762	5.27%
Grants and Contributions	29,578,602	28,915,337	663,265	2.29%
Other	42,645	61,541	(18,896)	-30.70%
<b>Total Revenues</b>	<u>49,269,112</u>	<u>46,791,683</u>	<u>2,477,429</u>	<u>5.29%</u>
<b>Expenses:</b>				
Instruction:				
Regular	11,261,969.00	11,057,667.00	204,302	1.85%
Special Education	3,344,041	3,248,086	95,955	2.95%
Other Special Instruction	3,093,573	2,498,004	595,569	23.84%
Student Services:				
Tuition	2,644,095	2,729,627	(85,532)	-3.13%
Student and Instruction Related	4,964,134	4,329,966	634,168	14.65%
General Administrative Services	629,492	608,154	21,338	3.51%
School Administrative Services	1,758,550	1,744,404	14,146	0.81%
Central Services	490,595	609,176	(118,581)	-19.47%
Administrative Information Technology	425,337	317,079	108,258	34.14%
Plant Operations and Maintenance	3,292,293	3,506,721	(214,428)	-6.11%
Pupil Transportation	2,115,856	2,013,381	102,475	5.09%
Special Schools	330,703	305,972	24,731	8.08%
Unallocated Benefits	11,906,972	11,091,851	815,121	7.35%
Payment of Bond Issue Costs	-	149,148	(149,148)	-100.00%
Interest on Long-Term Debt	316,185	612,838	(296,653)	-48.41%
Food Service	1,646,981	1,522,209	124,772	8.20%
<b>Total Expenses</b>	<u>48,220,776</u>	<u>46,344,283</u>	<u>1,876,493</u>	<u>4.05%</u>
<b>Increase (Decrease) in Net Position</b>	<u>1,048,336</u>	<u>447,400</u>	<u>600,936</u>	<u>1.34</u>
<b>Beginning Net Position</b>	<u>7,438,519</u>	<u>6,991,119</u>	<u>447,400</u>	<u>6.40%</u>
<b>Ending Net Position</b>	<u>\$ 8,486,855</u>	<u>\$ 7,438,519</u>	<u>\$ 1,048,336</u>	<u>14.09%</u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)**

**Governmental Activities**

In 2015-2016, Governmental Activities Revenues were \$47,585,320 or 96.58% of total revenues.

In 2014-2015, Governmental Activities Revenues were \$45,251,583 or 96.71% of total revenues.

In 2015-2016, General Revenues - Property Taxes of \$12,666,087 made up 28.80%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$29,578,602 made up 67.27% of Governmental Activities Revenues.

In 2014-2015, General Revenues - Property Taxes of \$12,032,325 made up 26.59%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$28,915,337 made up 63.90% of Governmental Activities Revenues.

In 2015-2016, the School District's Governmental Activities expenditures increased by \$1,751,721 or 3.91%.

**Business-Type Activities**

In 2015-2016 Business-Type Activities Revenues were \$1,683,792 or 3.42% of total revenues. In 2014-15 Business-Type Activities Revenues were \$1,540,100 or 3.29% of total revenues.

Charges for Services for Business-Type Activities were \$179,476 in 2015-2016 compared to \$176,169 in 2014-2015, a 1.88% increase.

Operating Grants and Contributions for Business-Type Activities were \$1,503,593 in 2015-2016 compared to \$1,363,103 in 2014-2015, a 10.31% increase.

Expenses for Business-Type Activities were \$1,646,981 in 2015-2016 compared to \$1,522,209 in 2014-2015, a 8.20% increase.

**General Fund Budgeting Highlights**

The final budgetary basis revenue estimate was \$36,985,133, which was equal to the original budget.

The 2015-2016 General Fund Tax Levy was \$11,702,827, an increase of \$719,664 or 6.55% from the 2014-2015 General Fund Tax Levy of \$10,983,163.

During fiscal year 2016, the School District budgeted \$11,702,827 for property taxes (local tax levy) and \$24,546,306 for state aid revenues.

The School District also received \$1,258,511 and \$2,828,665 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical and Pension Contributions, respectively. The Borough of Lindenwold School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Pension and Medical Contributions of \$1,258,511 and \$2,828,665 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$37,522,887, which was greater than the original budget.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2016  
 (Unaudited) (Cont'd)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)**

**Financial Analysis of the Government's Funds**

**Governmental Funds** - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$2,890,878, a decrease of \$3,076,945 in comparison with the prior year.

Of the combined ending fund balances of \$2,890,878, \$1,758,392 constitutes unassigned fund balance deficits. The remainder of fund balance of \$4,649,270 is restricted or assigned for various purposes.

**Proprietary Funds** - As of the end of the current fiscal year, the School District's proprietary fund had \$258,217 in unrestricted net position.

**CAPITAL ASSETS**

The Borough of Lindenwold School District's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to \$15,171,994 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net increase in the Borough of Lindenwold School District's investment in capital assets for the current fiscal year of 41.57%. The net increase was the result of the net effect of the 2016 asset additions, depreciation expense, and write-offs for the year. Table 4 reflects the capital assets.

**TABLE 4**  
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Land	\$ 1,998,297	\$ 1,998,297
Construction in Progress	50,698	1,234,225
Site Improvements	1,748,017	1,370,998
Building and Improvements	20,270,735	16,529,168
Equipment	<u>1,900,687</u>	<u>1,683,964</u>
 Total Capital Assets	 <u>\$ 25,968,434</u>	 <u>\$ 22,816,652</u>

Depreciation expense was \$1,242,664 for fiscal year ended 2016 and \$1,124,828 for fiscal year ended 2015.

**DEBT ADMINISTRATION**

**Long-term Debt** - At the end of the current fiscal year, the Borough of Lindenwold School District had total bonded debt outstanding of \$9,910,000. The entire Borough of Lindenwold School District's bonded debt is governmental as opposed to business-type. The 2016 adopted budget has an appropriation of \$1,200,000 representing the payment of the annual principal. The 2003 refunding bonds will mature on October 1, 2020 and the 2015 refunding bonds will mature on June 1, 2025.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

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**FACTORS ON THE DISTRICT'S FUTURE**

For the 2015-16 school year, the Borough of Lindenwold School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 28.8% of total revenue is from local tax levy and 67.3% of the Borough of Lindenwold School District's revenue is from federal and state aid (restricted and not restricted).

In conclusion, the Borough of Lindenwold Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenge of the future.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Borough of Lindenwold School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kathleen Huder, Business Administrator/Board Secretary at the Borough of Lindenwold School District, 801 Egg Harbor Road, Lindenwold, New Jersey 08021.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



## BOROUGH OF LINDENWOLD SCHOOL DISTRICT

## Statement of Net Position

June 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 87,377	\$ 152,773	\$ 240,150
Receivables, net	3,815,875	108,008	3,923,883
Inventory		7,877	7,877
Restricted Assets:			
Restricted Cash and Cash Equivalents	2,326,253		2,326,253
Capital Reserve Account - Cash	581,556		581,556
Capital Assets, net (Note 7)	25,564,809	403,625	25,968,434
<b>Total Assets</b>	<b>32,375,870</b>	<b>672,283</b>	<b>33,048,153</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 11)	1,726,111		1,726,111
Accounts Payable	1,175,075	10,441	1,185,516
Unearned Revenue	235,630		235,630
Note Payable	2,911,000		2,911,000
Accrued Interest Payable	34,015		34,015
Noncurrent Liabilities (Note 9):			
Due within One Year	1,349,232		1,349,232
Due beyond One Year	20,250,420		20,250,420
<b>Total Liabilities</b>	<b>25,955,372</b>	<b>10,441</b>	<b>25,965,813</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 11)	321,596		321,596
<b>NET POSITION:</b>			
Net Investment in Capital Assets	14,768,369	403,625	15,171,994
Restricted for:			
Capital Projects	192,014		192,014
Debt Service	3,821		3,821
Other Purposes	4,158,706		4,158,706
Unrestricted (Deficit)	(11,297,897)	258,217	(11,039,680)
<b>Total Net Position</b>	<b>\$ 7,825,013</b>	<b>\$ 661,842</b>	<b>\$ 8,486,855</b>

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 11,261,969		\$ 988,072	\$ (10,273,897)		\$ (10,273,897)
Special Education	3,344,041	\$ 942,735		(2,401,306)		(2,401,306)
Other Special Instruction	3,093,573		787,137	(2,306,436)		(2,306,436)
Support Services:						
Tuition	2,644,095		675,465	(1,968,630)		(1,968,630)
Student and Instruction Related Services	4,964,134		790,054	(4,174,080)		(4,174,080)
General Administrative Services	629,492			(629,492)		(629,492)
School Administrative Services	1,758,550			(1,758,550)		(1,758,550)
Central Services	490,595			(490,595)		(490,595)
Administrative Information Technology	425,337			(425,337)		(425,337)
Plant Operations and Maintenance	3,292,293		131,989	(3,160,304)		(3,160,304)
Pupil Transportation	2,115,856		68,211	(2,047,645)		(2,047,645)
Special Schools	330,703			(330,703)		(330,703)
Unallocated Benefits	11,906,972		915,046	(10,991,926)		(10,991,926)
Interest on Long-Term Debt	316,185			(316,185)		(316,185)
<b>Total Governmental Activities</b>	<b>46,573,795</b>	<b>942,735</b>	<b>4,355,974</b>	<b>(41,275,086)</b>		<b>(41,275,086)</b>
<b>Business-Type Activities:</b>						
Food Service	1,646,981	179,476	1,503,593		\$ 36,088	36,088
<b>Total Business-Type Activities</b>	<b>1,646,981</b>	<b>179,476</b>	<b>1,503,593</b>		<b>36,088</b>	<b>36,088</b>
<b>Total Primary Government</b>	<b>\$ 48,220,776</b>	<b>\$ 1,122,211</b>	<b>\$ 5,859,567</b>	<b>(41,275,086)</b>	<b>36,088</b>	<b>(41,238,998)</b>
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for General Purposes, Net				11,702,827		11,702,827
Taxes Levied for Debt Service				963,260		963,260
Federal, State and Local Aid Not Restricted				28,945,991		28,945,991
State Aid Restricted				632,611		632,611
Interest income				17,321	723	18,044
Miscellaneous Income				24,601		24,601
<b>Total General Revenues</b>				<b>42,286,611</b>	<b>723</b>	<b>42,287,334</b>
<b>Change in Net Position</b>				<b>1,011,525</b>	<b>36,811</b>	<b>1,048,336</b>
<b>Net Position -- July 1</b>				<b>6,813,488</b>	<b>625,031</b>	<b>7,438,519</b>
<b>Net Position -- June 30</b>				<b>\$ 7,825,013</b>	<b>\$ 661,842</b>	<b>\$ 8,486,855</b>

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

**FUND FINANCIAL STATEMENTS**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 87,377			\$ 3,821	\$ 91,198
Cash - Capital Reserve Account	2,326,253				2,326,253
Cash - Maintenance Reserve Account	250,000				250,000
Cash - Current Expense Emergency Reserve	327,735				327,735
Accounts Receivable, net (Note 5)					
State	153,337		\$ 3,198,676		3,352,013
Federal	22,193	\$ 176,221			198,414
Intergovernmental	265,448				265,448
Interfund	3,119,455				3,119,455
<b>Total Assets</b>	<b>\$ 6,551,798</b>	<b>\$ 176,221</b>	<b>\$ 3,198,676</b>	<b>\$ 3,821</b>	<b>\$ 9,930,516</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 740,823	\$ 32,731			\$ 773,554
Interfunds Payable		112,793	\$ 3,006,662		3,119,455
Note Payable	2,911,000				2,911,000
Unearned Revenue	86,590	149,039			235,629
<b>Total Liabilities</b>	<b>3,738,413</b>	<b>294,563</b>	<b>3,006,662</b>		<b>7,039,638</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	2,326,253				2,326,253
Maintenance Reserve	250,000				250,000
Emergency Reserve	327,735				327,735
Excess Surplus--Designated for Subsequent Year's Expenditures					
Expenditures	587,701				587,701
Excess Surplus	655,525				655,525
Debt Service				\$ 3,821	3,821
Capital Projects			192,014		192,014
<b>Assigned:</b>					
Other Purposes	294,729				294,729
Designated for Subsequent Year's Expenditures	11,492				11,492
Unassigned (Deficit)	(1,640,050)	(118,342)			(1,758,392)
<b>Total Fund Balances</b>	<b>2,813,385</b>	<b>(118,342)</b>	<b>192,014</b>	<b>3,821</b>	<b>2,890,878</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,551,798</b>	<b>\$ 176,221</b>	<b>\$ 3,198,676</b>	<b>\$ 3,821</b>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$47,231,390 and the accumulated depreciation is \$21,666,581.

25,564,809

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.

(11,610,546)

Interest on long-term debt in the statement of activities is accrued, regardless of when due.

(34,015)

Net Pension Liability

(9,989,106)

Accounts Payable related to the April 1, 2016 Required PERS pension contribution that is not to be liquidated with current financial resources.

(401,522)

Deferred Outflows of Resources - Related to Pensions

1,726,111

Deferred Inflows of Resources - Related to Pensions

(321,596)

Net position of governmental activities

**\$ 7,825,013**

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 11,702,827			\$ 963,260	\$ 12,666,087
Interest	17,321				17,321
Tuition	942,735				942,735
Unrestricted Miscellaneous Revenues	24,601				24,601
State Sources	28,785,935	\$ 1,180,481		632,611	30,599,027
Federal Sources	160,056	3,175,493			3,335,549
<b>Total Revenues</b>	<b>41,633,475</b>	<b>4,355,974</b>		<b>1,595,871</b>	<b>47,585,320</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	9,812,786	988,072			10,800,858
Special Education Instruction	2,618,876	589,358			3,208,234
Other Special Instruction	2,174,853	805,939			2,980,792
<b>Support Services and Undistributed Costs:</b>					
Tuition	1,968,630	675,465			2,644,095
Student and Instruction Related Services	3,968,297	790,054			4,758,351
General Administrative Services	598,458				598,458
School Administrative Services	1,671,853				1,671,853
Central Services	490,595				490,595
Administrative Information Technology	425,337				425,337
Plant Operations and Maintenance	3,004,500	131,989			3,136,489
Pupil Transportation	1,946,696	68,211			2,014,907
Unallocated Benefits	10,878,863	788,775			11,667,638
Special Schools	330,703				330,703
<b>Debt Service:</b>					
Principal				1,200,000	1,200,000
Interest and Other Charges				424,419	424,419
Capital Outlay	274,688	126,271	\$ 3,908,577		4,309,536
<b>Total Expenditures</b>	<b>40,165,135</b>	<b>4,964,134</b>	<b>3,908,577</b>	<b>1,624,419</b>	<b>50,662,265</b>
Excess (Deficiency) of Revenues over Expenditures	1,468,340	(608,160)	(3,908,577)	(28,548)	(3,076,945)
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In		589,358			589,358
Operating Transfers Out	(589,358)				(589,358)
<b>Total Other Financing Sources (Uses)</b>	<b>(589,358)</b>	<b>589,358</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>878,982</b>	<b>(18,802)</b>	<b>(3,908,577)</b>	<b>(28,548)</b>	<b>(3,076,945)</b>
Fund Balance -- July 1	1,934,403	(99,540)	4,100,591	32,369	5,967,823
<b>Fund Balance -- June 30</b>	<b>\$ 2,813,385</b>	<b>\$ (118,342)</b>	<b>\$ 192,014</b>	<b>\$ 3,821</b>	<b>\$ 2,890,878</b>

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2016

Total Net Change in Fund Balances - Governmental Funds	\$	(3,076,945)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.</p>		
Depreciation Expense	\$	(1,215,946)
Debt Service Assessment Charged to Capital Outlay		(19,250)
Capital Outlays		4,309,536
Capital Outlays not being depreciated		<u>(102,519)</u>
		2,971,821
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		1,200,000
<p>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. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		4,959
<p>Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of Bond Premiums		103,275
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		47,749
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>(239,334)</u>
Change in Net Position of Governmental Activities	\$	<u>1,011,525</u>

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Proprietary Funds  
 Statement of Net Position  
 June 30, 2016

	Business-Type Activities - <u>Enterprise Funds</u>
	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 152,773
Accounts Receivable:	
State	1,356
Federal	106,652
Inventories	<u>7,877</u>
Total Current Assets	<u>268,658</u>
Noncurrent Assets:	
Equipment	810,178
Less Accumulated Depreciation	<u>(406,553)</u>
Total Noncurrent Assets	<u>403,625</u>
Total Assets	<u>672,283</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	<u>10,441</u>
Total Current Liabilities	<u>10,441</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	403,625
Unrestricted	<u>258,217</u>
Total Net Position	<u>\$ 661,842</u>

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Proprietary Funds  
 Statement of Revenues, Expenses, and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 113,161
Daily Sales - Non-Reimbursable Programs	57,589
Special Functions	<u>8,726</u>
Total Operating Revenues	<u>179,476</u>
<b>OPERATING EXPENSES:</b>	
Salaries	491,792
Employee Benefits	107,331
Supplies and Materials	83,304
Cost of Sales - Reimbursable Programs	799,391
Cost of Sales - Non-Reimbursable Programs	32,789
Management Fee	77,506
Repairs and Maintenance	24,201
Depreciation	30,350
Loss on Disposal of Equipment	<u>317</u>
Total Operating Expenses	<u>1,646,981</u>
Operating Income (Loss)	<u>(1,467,505)</u>
<b>NONOPERATING REVENUES:</b>	
State Sources:	
State School Lunch Program	19,722
Federal Sources:	
Healthy Hunger Free Kids Program	21,791
Fresh Fruits & Vegetables Program	42,026
National School Lunch Program	964,271
School Breakfast Program	336,916
Summer Feeding Program	9,647
United States Department of Agriculture Commodities	109,220
Interest and Investment Revenue	<u>723</u>
Total Nonoperating Revenues	<u>1,504,316</u>
Change in Net Position	36,811
Total Net Position -- July 1	<u>625,031</u>
Total Net Position -- June 30	<u><u>\$ 661,842</u></u>

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



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Proprietary Funds  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 179,476
Payments to Employees	(491,792)
Payments for Employee Benefits	(107,331)
Payments to Suppliers	<u>(942,857)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,362,504)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Cash Received from Federal and State Reimbursements	<u>1,384,137</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,384,137</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	<u>(210,628)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(210,628)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends	<u>723</u>
Net Cash Provided by (used for) Investing Activities	<u>723</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(188,272)
Cash and Cash Equivalents -- July 1	<u>341,045</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 152,773</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (1,467,505)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	30,350
Loss on Disposal of Equipment	317
Federal Commodities	109,220
(Increase) Decrease in Inventories	3,592
Increase (Decrease) in Other Current Liabilities	<u>(38,478)</u>
Total Adjustments	<u>105,001</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (1,362,504)</u></u>

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2016

	Private Purpose Trust Funds			Agency Funds		
	Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Total <u>Trust Fund</u>	Student <u>Activity</u>	<u>Payroll</u>	Total <u>Agency Fund</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 391,313	\$ 2,148	\$ 393,461	\$ 110,106	\$ 21,780	\$ 131,886
<b>Total Assets</b>	<u>391,313</u>	<u>2,148</u>	<u>393,461</u>	<u>\$ 110,106</u>	<u>\$ 21,780</u>	<u>\$ 131,886</u>
<b>LIABILITIES:</b>						
Payable to Student Groups				\$ 110,106		\$ 110,106
Payroll Deductions and Withholdings					\$ 21,780	21,780
<b>Total Liabilities</b>				<u>\$ 110,106</u>	<u>\$ 21,780</u>	<u>\$ 131,886</u>
<b>NET POSITION:</b>						
Held in Trust for Unemployment Claims and Other Purposes	<u>391,313</u>	<u>2,148</u>	<u>393,461</u>			
<b>Total Net Position</b>	<u>\$ 391,313</u>	<u>\$ 2,148</u>	<u>\$ 393,461</u>			

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2016

	<u>Private Purpose Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 37,140	
Donor Contribution		\$ 100
Total Contributions	<u>37,140</u>	<u>100</u>
Investment Earnings:		
Interest	<u>1,512</u>	<u>9</u>
Net Investment Earnings	<u>1,512</u>	<u>9</u>
Total Additions	<u>38,652</u>	<u>109</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	48,560	
Scholarships Awarded		1,000
Total Deductions	<u>48,560</u>	<u>1,000</u>
Change in Net Position	(9,908)	(891)
Net Position -- July 1	<u>401,221</u>	<u>3,039</u>
Net Position -- June 30	<u>\$ 391,313</u>	<u>\$ 2,148</u>

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2016

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Borough of Lindenwold School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten through 12 at the School District's four schools. The School District has an approximate enrollment at June 30, 2016 of 2,634.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Component Units**

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Component Units (cont'd)**

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

**Government-wide and Fund Financial Statements**

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

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

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

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

**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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. 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.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which 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.

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. 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. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary fund:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

**Agency Funds** - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

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

Scholarship Trust Fund - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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 property taxes.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. 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:23A-16.2(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:23A-13.3.

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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule 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 balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Encumbrances (Cont'd)**

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, Cash Equivalents and Investments**

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

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

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Tuition Receivable**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business Type Activities Estimated Lives</u>
Site Improvements	10-20 years	N/A
Buildings and Improvements	20-50 years	N/A
Equipment	5-15 years	15 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**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 measurable and the School District is eligible to realize the revenue.

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2016, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**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, governmental 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. Bonds are recognized as a liability on the governmental fund financial statements when due.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

**Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Net Position**

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

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

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

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

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

**Fund Balance**

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Balance (cont'd)**

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

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

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

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

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

**Accounting 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 assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the fiscal year ended June 30, 2016, the School District adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the School District.

In addition, the School District adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

Lastly, the School District adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the School District.

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the School District.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (cont'd)**

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2016, the School District's bank balances of \$4,980,659 were exposed to custodial credit risk as follows:

Insured	\$ 882,990
Insured under GUDPA	3,891,773
Uninsured/Uncollateralized	<u>205,896</u>
	<u>\$ 4,980,659</u>

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$1 in October, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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 July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance July 1, 2015	\$ 1,652,357
Interest	2,500
Deposits	810,071
Withdrawals	<u>(138,675)</u>
Ending Balance June 30, 2016	<u>\$ 2,326,253</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted projects at June 30, 2016 is \$28,806,853. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.



**Note 4: TRANSFERS FROM CAPITAL RESERVE TO CAPITAL OUTLAY**

During the fiscal year ended June 30, 2016, the School District transferred \$138,675 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

**Note 5: ACCOUNTS RECEIVABLE**

Accounts receivables at June 30, 2016 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Intergovernmental	\$ 440,978	\$ 176,221	\$ 3,198,676	\$ 108,008	\$ 3,923,883
Total	<u>\$ 440,987</u>	<u>\$ 176,221</u>	<u>\$ 3,198,676</u>	<u>\$ 108,008</u>	<u>\$ 3,923,883</u>

**Note 6: INVENTORY**

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 447
Supplies	<u>7,430</u>
	<u>\$ 7,877</u>

**Note 7: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 1,998,297			\$ 1,998,297
Construction in Progress	1,215,053	\$ 50,698	\$ (1,215,053)	50,698
Total Capital Assets, not being Depreciated	<u>3,213,350</u>	<u>50,698</u>	<u>(1,215,053)</u>	<u>2,048,995</u>
Capital Assets, being Depreciated:				
Site Improvement	3,177,279	497,664		3,674,943
Buildings and Improvements	30,514,847	4,560,106		35,074,953
Equipment	6,155,090	294,352	(16,943)	6,432,499
Total Capital Assets, being Depreciated	<u>39,847,216</u>	<u>5,352,122</u>	<u>(16,943)</u>	<u>45,182,395</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,806,281)	(120,645)		(1,926,926)
Building and Improvements	(13,985,679)	(818,539)		(14,804,218)
Equipment	(4,675,618)	(273,130)	13,311	(4,935,437)
Total Accumulated Depreciation	<u>(20,467,578)</u>	<u>(1,212,314)</u>	<u>13,311</u>	<u>(21,666,581)</u>
Total Capital Assets, being Depreciated, Net	<u>19,379,638</u>	<u>4,139,808</u>	<u>(3,632)</u>	<u>23,515,814</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,592,988</u>	<u>\$ 4,190,506</u>	<u>\$ (1,218,658)</u>	<u>\$ 25,564,809</u>
<b>Business-Type Activities:</b>				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 19,172		\$ (19,172)	
Capital Assets, being Depreciated:				
Equipment	586,734	\$ 229,800	(6,356)	\$ 810,178
Less Accumulated Depreciation	(382,242)	(30,350)	6,039	(406,553)
Total Business-Type Activities Capital Assets, Net	<u>\$ 223,664</u>	<u>\$ 199,450</u>	<u>\$ (19,489)</u>	<u>\$ 403,625</u>

**Note 7: CAPITAL ASSETS (CONT'D)**

Depreciation expense was charged to functions / programs of the School District as follows:

**Governmental Activities:**

Instruction	\$ 686,442
Student & Instruction Related Services	186,493
General and Business Administrative Services	106,695
Plant Operations and Maintenance	141,198
Pupil Transportation	<u>91,486</u>

Total Depreciation- Governmental Activities	<u>\$ 1,212,314</u>
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**Business-Type Activities:**

Food Services	<u>\$ 30,350</u>
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Total Depreciation Expenses – Business-Type Activities	<u>\$ 30,350</u>
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**Note 8: SHORT-TERM OBLIGATIONS**

**Temporary Note Payable** - N.J.S.A. 18A:22-44.1 states that if a board of education of any Type II district may, after July 1 and before January 1, borrow a sum not exceeding 1/2 of the amount appropriated for the current expenses of the schools and for the repair of schoolhouses under its control, and execute and deliver promissory notes therefor, and pay the amount so borrowed together with interest thereon, at a rate not exceeding 6% per annum. In accordance with this statute, on September 10, 2015, the School District issued temporary notes in the amount of \$2,911,000, at an annual interest rate of 0.700%, maturing on September 9, 2016.

The following represents short-term debt activity for the fiscal year ended June 30, 2016:

<u>Description</u>	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
Temporary Notes of 2015, Series A	<u>\$</u>	<u>\$ 2,911,000</u>	<u>\$</u>	<u>\$ 2,911,000</u>

**Note 9: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 11,110,000		\$ (1,200,000)	\$ 9,910,000	\$ 1,105,000
Unamortized Cost of Premium on Bonds	989,715		(103,275)	886,440	
Other Liabilities:					
Net Pension Liability	8,315,456	\$ 2,639,300	(965,650)	9,989,106	
Compensated Absences	861,855	109,135	(156,884)	814,106	244,232
Total Other Liabilities	9,177,311	2,748,435	(1,122,534)	10,803,212	244,232
Governmental Activity Long-term Liabilities	<u>\$ 21,277,026</u>	<u>\$ 2,748,435</u>	<u>\$ (2,425,809)</u>	<u>\$ 21,599,652</u>	<u>\$ 1,349,232</u>

The bonds payable and obligations under capital lease are generally liquidated by the debt service fund, while compensated absences, and net pension liability are liquidated by the general fund.

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2003	\$ 1,515,000	2016 to 2020	5.35%	\$ 170,000
2015	10,910,000	2017 to 2025	3.00-4.00%	9,740,000
				<u>\$ 9,910,000</u>

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,105,000	\$ 387,763	\$ 1,492,763
2018	1,130,000	353,644	1,483,644
2019	1,120,000	307,831	1,427,831
2020	1,135,000	262,419	1,397,419
2021	1,115,000	260,406	1,375,406
2022-2025	4,305,000	428,800	4,733,800
	<u>\$ 9,910,000</u>	<u>\$ 2,000,863</u>	<u>\$ 11,910,863</u>

**Note 9: LONG-TERM LIABILITIES (CONT'D)**

**Bonds Authorized But Not Issued** - As of June 30, 2016, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to Note 16 for a description of the School District's Policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 11. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general fund on an annual basis.

**Note 10: OPERATING LEASES**

At June 30, 2016, the School District had operating lease agreements in effect for copy machines, and postage machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 238,174
2018	151,899
2019	47,427
2020	<u>5,707</u>
	<u>\$ 443,207</u>

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$343,280.

**Note 11: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.state.nj.us/treasury/pensions>

**General Information About the Pension Plans****Plan Descriptions**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. 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. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members.

**Note 11: PENSION PLANS (CONT'D)****General Information About the Pension Plans (cont'd)****Plan Descriptions (cont'd)**

Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Teachers' Pension and Annuity Fund** - 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:

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

**Note 11: PENSION PLANS (CONT'D)****General Information About the Pension Plans (cont'd)****Vesting and Benefit Provisions (cont'd)**

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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.

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as noted above for TPAF.

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. 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 2015, the State's pension contribution was less than the actuarial determined amount.

**Note 11: PENSION PLANS (CONT'D)****General Information About the Pension Plans (cont'd)****Contributions (cont'd)**

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 12.62% of the School District's covered-employee payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$880,733, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$1,251,959.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.04% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$382,571, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$227,578.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2016, employee contributions totaled \$25,665, and the School District recognized pension expense of \$13,998. There were no forfeitures during the fiscal year.



**Note 11: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Teachers' Pension and Annuity Fund** - At June 30, 2016, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School Districts Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>103,578,894</u>
	<u>\$ 103,578,894</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. For the June 30, 2015 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation of the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .1638795817%, which was an increase of .0015991193% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2015, the School District recognized \$2,828,665 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. The pension expense and revenue was based on the pension plans June 30, 2015 measurement date.

**Public Employees' Retirement System** - At June 30, 2016, the School District reported a liability of \$9,989,106 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the School District's proportion was .0444988772%, which was a decrease of .0000851938% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$628,760, in the government-wide financial statements. The pension expense was based on the pension plans June 30, 2015 measurement date.

**Note 11: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences Between Expected and Actual Experience	\$ 238,305	\$ -
Changes of Assumptions	1,072,750	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	160,606
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contribution	13,534	160,990
School District Contributions Subsequent to the Measurement Date	<u>401,522</u>	<u>-</u>
	<u>\$ 1,726,111</u>	<u>\$ 321,596</u>

\$401,522 reported as deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>PERS</u>
2017	\$ 176,016
2018	176,016
2019	176,016
2020	299,902
2021	<u>175,902</u>
	<u>\$ 1,002,993</u>

**Note 11: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2014	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

**Note 11: PENSION PLANS (CONT'D)****Actuarial Assumptions (cont'd)**

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.04%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2009 – June 30, 2012	July 1, 2008 – June 30, 2011

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were 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.

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2015 are summarized in the following tables:

**Note 11: PENSION PLANS (CONT'D)****Actuarial Assumptions (cont'd)**

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%	Cash	5.00%	1.04%
US Government Bonds	1.75%	1.39%	U.S. Treasuries	1.75%	1.64%
US Credit Bonds			Investment Grade		
US Mortgages	13.50%	2.72%	Credit Mortgages	10.00%	1.79%
US Inflation-Indexed Bonds	2.10%	2.54%	High Yield Bonds	2.10%	1.62%
US High Yield Bonds	1.50%	1.47%	Inflation-Indexed Bonds	2.00%	4.03%
US Equity Market	2.00%	4.57%	Broad U.S. Equities	1.50%	3.25%
Foreign-Developed Equity	27.25%	5.63%	Developed Foreign Equities	27.25%	8.52%
Emerging Markets Equity	12.00%	6.22%	Emerging Market Equities	12.00%	6.88%
Private Real Estate Property	6.40%	8.46%	Private Equity	6.40%	10.00%
Timber	4.25%	3.97%	Hedge Funds/Absolute Return	9.25%	12.41%
Farmland	1.00%	4.09%	Real Estate (Property)	12.00%	4.72%
Private Equity	1.00%	4.61%	Commodities	2.00%	6.83%
Commodities	9.25%	9.15%	Global Debt ex U.S. REIT	1.00%	5.32%
Hedge Funds – MultiStrategy	1.00%	3.58%		3.50%	-0.40%
Hedge Funds – Equity Hedge	4.00%	4.59%		4.25%	5.12%
Hedge Funds – Distressed	4.00%	5.68%			
	4.00%	4.30%			
	<u>100.00%</u>			<u>100.00%</u>	

**Discount Rate** - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 11: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2015, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>TPAF</b>		
	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability	123,099,614	103,578,894	86,760,600
	<u>\$123,099,614</u>	<u>\$ 103,578,894</u>	<u>\$ 86,760,000</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ 12,415,237	\$ 9,989,106	\$ 7,955,056

**Pension Plan Fiduciary Net Position**

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

**Note 12: STATE POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 of 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 postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment medical benefits, and the State contributed \$1.25 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 premiums 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 free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

**Note 13: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financials for normal costs, post-retirement medical costs, and non-contributory insurance were \$1,229,934, \$1,537,464, and \$61,267, respectively.

**Note 14: RISK MANAGEMENT**

The School 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 School District maintains insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 1,512	\$ 37,140	\$ 48,560	\$ 391,313
2015	776	35,587	75,827	401,221
2014	1,671	22,670	68,909	440,685

**Note 14: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The School District is a member of the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
 General and Automobile Liability  
 Property Damage  
 Crime, Boiler and Machinery  
 Pollutions Legal Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2016, which can be obtained from:

SPELL Joint Insurance Fund  
 P.O. Box 449  
 Marlton, New Jersey 08053

**Note 15: DEFERRED COMPENSATION**

The School District offers its employees a choice of (4) deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by a third party administrator, OMNI Group, Inc., 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 choices are as follows:

MetLife  
 Fidelity Investments  
 Lincoln Investments Planning, Inc.  
 Lincoln Financial Advisors

**Note 16: COMPENSATED ABSENCES**

The School 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.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.



**Note 16: COMPENSATED ABSENCES (CONT'D)**

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position was \$814,106.

**Note 17: INTERFUND RECEIVABLES, PAYABLES AND TRANSFER**

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 3,119,455	
Special Revenue		\$ 121,793
Capital Projects		3,006,662
	<u>\$ 3,119,455</u>	<u>\$ 3,119,455</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfer:

<u>Transfer Out:</u>	<u>Transfer In: Special Revenue Fund</u>
General Fund	\$ 589,358
Total Transfers	<u>\$ 589,358</u>

The principal purposes of fund transfers made during the fiscal year were for the local share preschool education aid.

**Note 18: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

**Litigation** - The School District is occasionally involved in certain legal claims arising in the ordinary course of operations. Management believes that the ultimate settlement of such claims will not exceed its insurance coverage, and therefore will have no material effect on the School District's financial position

**Note 19: CONCENTRATIONS**

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 20: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$1,640,050 in the general fund and \$118,342 in the special revenue fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$1,758,392 is less than the June state aid payments.

**Note 21: FUND BALANCES****RESTRICTED**

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

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$655,525. Additionally, \$587,701 of excess fund balance generated during 2014-2015 has been restricted and designated for utilization in the 2016-2017 budget.

**For Capital Reserve Account** - As of June 30, 2016, the balance in the capital reserve account is \$2,326,253. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2016, the balance in the maintenance reserve account is \$250,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Note 21: FUND BALANCES (CONT'D)****RESTRICTED (Cont'd)****General Fund (Cont'd)**

**For Emergency Reserve** - As of June 30, 2016, the balance in the emergency reserve is \$327,735. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the reserve is not permitted to exceed \$250,000, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

**Capital Projects Fund** – As of June 30, 2016, the restricted fund balance amount was \$192,014, all of which is restricted for authorized capital projects.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017, \$3,821 of debt service fund balance at June 30, 2016.

**ASSIGNED**

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

**General Fund -**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$11,492 of general fund balance at June 30, 2016.

**Other Purposes** - As of June 30, 2016, the School District had \$294,729 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

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

**General Fund** - As of June 30, 2016, \$(1,640,050) of general fund balance was unassigned.

**Special Revenue Fund** - As of June 30, 2016, the fund balance of the special revenue fund was a deficit of \$118,342, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in Note 20, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$118,342 is less than the last state aid payment.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 11,702,827		\$ 11,702,827	\$ 11,702,827	
Interest Earned on Capital Reserve Fund	2,500		2,500	2,500	
Interest Earned on Emergency Reserve Fund	500		500	500	
Interest	18,000		18,000	14,321	\$ (3,679)
Tuition	400,000		400,000	942,735	542,735
Unrestricted Misc. Revenues	65,000		65,000	24,601	(40,399)
<b>Total - Local Sources</b>	<u>12,188,827</u>	<u>-</u>	<u>12,188,827</u>	<u>12,687,484</u>	<u>498,657</u>
<b>State Sources:</b>					
Equalization Aid	22,176,686		22,176,686	22,176,686	-
Categorical Transportation Aid	143,769		143,769	143,769	-
Categorical Security Aid	403,357		403,357	403,357	-
Categorical Special Education Aid	1,270,618		1,270,618	1,270,618	-
Extraordinary Aid	150,000		150,000	138,860	(11,140)
Nonpublic Transportation Aid				14,476	14,476
School Choice Aid	323,730		323,730	323,730	-
Under Adequacy Aid	179,546		179,546	179,546	-
PARCC Readiness Aid	24,300		24,300	24,300	-
Per Pupil Growth Aid	24,300		24,300	24,300	-
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				1,229,934	1,229,934
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				61,267	61,267
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,537,464	1,537,464
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,258,511	1,258,511
<b>Total - State Sources</b>	<u>24,696,306</u>	<u>-</u>	<u>24,696,306</u>	<u>28,786,818</u>	<u>4,090,512</u>
<b>Federal Sources:</b>					
Medicaid Reimbursement	100,000		100,000	160,056	60,056
<b>Total - Federal Sources</b>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>160,056</u>	<u>60,056</u>
<b>Total Revenues</b>	<u>36,985,133</u>	<u>-</u>	<u>36,985,133</u>	<u>41,634,358</u>	<u>4,649,225</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 485,400	\$ (79,175)	\$ 406,225	\$ 406,225	
Grades 1-5	2,974,953	(57,713)	2,917,240	2,917,240	
Grades 6-8	2,433,535	(5,722)	2,427,813	2,424,828	\$ 2,985
Grades 9-12	2,716,734	(75,740)	2,640,994	2,636,281	4,713
Regular Programs - Home Instruction:					
Salaries of Teachers	18,000	44,830	62,830	62,830	-
Purchased Professional/Educational Services	25,500	(18,752)	6,748	6,748	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	76,867	(18,501)	58,366	58,366	-
Purchased Professional/Educational Services	454,200	113,706	567,906	565,940	1,966
Other Purchased Services	233,828	55,529	289,357	289,357	-
General Supplies	424,832	21,357	446,189	420,009	26,180
Textbooks	37,993	(13,031)	24,962	24,962	-
Total Regular Programs	<u>9,881,842</u>	<u>(33,212)</u>	<u>9,848,630</u>	<u>9,812,786</u>	<u>35,844</u>
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	311,600	(65,697)	245,903	210,847	35,056
Other Salaries for Instruction	52,783	9,865	62,648	62,483	165
General Supplies	2,065	(334)	1,731	1,731	-
Total Learning and Language Disabled	<u>366,448</u>	<u>(56,166)</u>	<u>310,282</u>	<u>275,061</u>	<u>35,221</u>
Visual Impairments					
Purchased Professional/Educational Services	15,300	(15,300)	-	-	-
Total Visual Impairments	<u>15,300</u>	<u>(15,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Behavioral Disabilities					
Salaries of Teacher	160,949	(4,000)	156,949	156,776	173
Other Salaries for Instruction	47,500	(1,700)	45,800	34,926	10,874
General Supplies	1,938	3194.00	5,132	4,885	247
Total Behavioral Disabilities	<u>210,387</u>	<u>(2,506)</u>	<u>207,881</u>	<u>196,587</u>	<u>11,294</u>
Multiple Disabilities					
Salaries of Teacher	341,225	(5,000)	336,225	323,470	12,755
Other Salaries for Instruction	156,843	31,500	188,343	178,298	10,045
General Supplies	11,384	34,777	46,161	42,960	3,201
Total Multiple Disabilities	<u>509,452</u>	<u>61,277</u>	<u>570,729</u>	<u>544,728</u>	<u>26,001</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
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 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Resource Room/ Resource Center					
Salaries of Teachers	\$ 1,511,727	\$ (6,384)	\$ 1,505,343	\$ 1,496,354	\$ 8,989
Other Salaries for Instruction	45,462	11,750	57,212	50,205	7,007
General Supplies	9,627	11,711	21,338	20,587	751
Total Resource Room/ Resource Center	<u>1,566,816</u>	<u>17,077</u>	<u>1,583,893</u>	<u>1,567,146</u>	<u>16,747</u>
Home Instruction					
Salaries of Teachers	20,000	(8,305)	11,695	10,310	1,385
Purchased Professional - Educational Services	25,910	8,305	34,215	25,044	9,171
Total Home Instruction	<u>45,910</u>	<u>-</u>	<u>45,910</u>	<u>35,354</u>	<u>10,556</u>
Total Special Education - Instruction	<u>2,714,313</u>	<u>4,382</u>	<u>2,718,695</u>	<u>2,618,876</u>	<u>99,819</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	439,677	(57,410)	382,267	377,193	5,074
Purchased Professional - Educational Services	45,627	7,098	52,725	45,128	7,597
Total Basic Skills/ Remedial - Instruction	<u>485,304</u>	<u>(50,312)</u>	<u>434,992</u>	<u>422,321</u>	<u>12,671</u>
Bilingual Education - Instruction					
Salaries of Teachers	1,004,006	48,558	1,052,564	1,009,833	42,731
Other Salaries for Instruction	100,159	(4,325)	95,834	53,826	42,008
General Supplies	47,581	(3,179)	44,402	36,279	8,123
Total Bilingual Education - Instruction	<u>1,151,746</u>	<u>41,054</u>	<u>1,192,800</u>	<u>1,099,938</u>	<u>92,862</u>
School Sponsored Cocurricular Activities - Instruction					
Salaries of Teachers	145,000	(4,947)	140,053	139,489	564
Purchased Services	22,550	588	23,138	21,212	1,926
Supplies and Materials	42,563	913	43,476	31,497	11,979
Other Objects	6,695		6,695	3,920	2,775
Total School Sponsored Cocurricular Activities - Instruction	<u>216,808</u>	<u>(3,446)</u>	<u>213,362</u>	<u>196,118</u>	<u>17,244</u>
School Sponsored Athletics - Instruction					
Salaries	340,427	7,546	347,973	347,213	760
Purchased Services	22,500	9,000	31,500	23,411	8,089
Supplies & Materials	65,754	9,148	74,902	61,697	13,205
Other Objects	39,900	(12,500)	27,400	24,155	3,245
Total School Sponsored Athletics - Instruction	<u>468,581</u>	<u>13,194</u>	<u>481,775</u>	<u>456,476</u>	<u>25,299</u>
Total Instruction	<u>14,918,594</u>	<u>(28,340)</u>	<u>14,890,254</u>	<u>14,606,515</u>	<u>283,739</u>

(Continued)



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
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 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 50,000	\$ 211,963	\$ 261,963	\$ 207,253	\$ 54,710
Tuition to Other LEA's Within State - Special	85,142	(28,138)	57,004	42,274	14,730
Tuition to County Voc. School Dist. - Regular	230,700		230,700	230,700	-
Tuition to CSSD and Regional Day Schools	740,575	(266,385)	474,190	437,984	36,206
Tuition to Private Schools for the Disabled - Within State	978,468	(71,463)	907,005	864,412	42,593
Tuition - State Facilities	212,313	(32,067)	180,246	175,507	4,739
Tuition - Other	-	10,500	10,500	10,500	-
Total Undistributed Expenditures - Instruction	<u>2,297,198</u>	<u>(175,590)</u>	<u>2,121,608</u>	<u>1,968,630</u>	<u>152,978</u>
Undistributed Expenditures - Attendance and Social Work:					
Salaries of Family Liaisons	<u>31,550</u>	<u>230</u>	<u>31,780</u>	<u>31,780</u>	<u>-</u>
Total Undistributed Expenditures - Attendance and Social Work	<u>31,550</u>	<u>230</u>	<u>31,780</u>	<u>31,780</u>	<u>-</u>
Undistributed Expenditures - Health Services:					
Salaries	258,894	(1,283)	257,611	257,262	349
Purchased Professional and Technical Services	5,300	22,538	27,838	25,482	2,356
Other Purchased Services	5,707		5,707	5,707	-
Supplies and Materials	9,914	60	9,974	9,707	267
Total Undistributed Expenditures - Health Services	<u>279,815</u>	<u>21,315</u>	<u>301,130</u>	<u>298,158</u>	<u>2,972</u>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	240,079	(8,970)	231,109	225,756	5,353
Purchased Professional - Educational Services	173,955	14,244	188,199	172,152	16,047
Supplies and Materials	3,968	(69)	3,899	3,048	851
Total Undistributed Expenditures - Other Support Services - Students - Related Services	<u>418,002</u>	<u>5,205</u>	<u>423,207</u>	<u>400,956</u>	<u>22,251</u>
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries		49,240	49,240	48,035	1,205
Purchased Professional - Educational Services	<u>263,870</u>	<u>181,900</u>	<u>445,770</u>	<u>414,888</u>	<u>30,882</u>
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	<u>263,870</u>	<u>231,140</u>	<u>495,010</u>	<u>462,923</u>	<u>32,087</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
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 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Guidance:					
Salaries of Other Professional Staff	\$ 530,339	\$ (5,189)	\$ 525,150	\$ 525,150	
Purchased Professional - Educational Services	25,580	(694)	24,886	24,886	
Supplies and Materials	23,433	5,724	29,157	28,904	\$ 253
Other Objects	86		86		86
Total Undistributed Expenditures - Other Support Services -					
Students - Guidance	<u>579,438</u>	<u>(159)</u>	<u>579,279</u>	<u>578,940</u>	<u>339</u>
Undistributed Expenditures - Other Support Services -					
Students - Child Study Team:					
Salaries of Other Professional Staff	924,264	(42,902)	881,362	875,798	5,564
Salaries of Secretarial and Clerical Assistants	135,679	(621)	135,058	134,784	274
Other Purchased Professional and Technical Services	60,546	(8,990)	51,556	48,031	3,525
Miscellaneous Purchased Services	13,570	(8,000)	5,570	4,475	1,095
Supplies & Materials	11,859		11,859	10,255	1,604
Total Undistributed Expenditures - Other Support Services -					
Students - Child Study Team:	<u>1,145,918</u>	<u>(60,513)</u>	<u>1,085,405</u>	<u>1,073,343</u>	<u>12,062</u>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	824,277		824,277	809,103	15,174
Purchased Professional and Educational Services	2,000		2,000		2,000
Total Undistributed Expenditures - Improvement of Instruction Services	<u>826,277</u>	<u>-</u>	<u>826,277</u>	<u>809,103</u>	<u>17,174</u>
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	227,904	(2,969)	224,935	208,742	16,193
Salaries of Technology Coordinators		9,375	9,375	9,375	-
Purchased Professional and Technical Services	1,500		1,500	611	889
Other Purchased Services		1,725	1,725	1,725	-
Supplies and Materials	66,572	533	67,105	60,606	6,499
Total Undistributed Expend. - Educational Media Services / Sch Library	<u>295,976</u>	<u>8,664</u>	<u>304,640</u>	<u>281,059</u>	<u>23,581</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff		8,410	8,410	8,410	-
Purchased Professional - Educational Services	29,998	(6,488)	23,510	21,986	1,524
Other Purchased Services	4,000	(767)	3,233	1,380	1,853
Supplies and Materials		259	259	259	-
Total Undistributed Expenditures - Instructional Staff Training Services:	<u>33,998</u>	<u>1,414</u>	<u>35,412</u>	<u>32,035</u>	<u>3,377</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 271,022		\$ 271,022	\$ 267,934	\$ 3,088
Legal Services	36,000		36,000	31,557	4,443
Audit Fees	24,500		24,500	24,450	50
Architectual/Engineering Services	20,000		20,000	18,898	1,102
Other Purchased Professional Services	16,200	\$ (6,000)	10,200	4,893	5,307
Purchased Professional and Technical Services	31,000		31,000	29,395	1,605
Communications / Telephone	66,592		66,592	42,348	24,244
Miscellaneous Purchased Services	139,337	10,885	150,222	137,370	12,852
General Supplies	12,000	(8,150)	3,850	3,377	473
BOE In-House Training/Meeting Supplies		700	700	539	161
Miscellaneous Expenditures	8,650	(4,369)	4,281	2,267	2,014
BOE Membership Dues and Fees	12,000	23,430	35,430	35,430	-
<b>Total Undistributed Expenditures - Support Services - General Admin</b>	<b>637,301</b>	<b>16,496</b>	<b>653,797</b>	<b>598,458</b>	<b>55,339</b>
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	957,766	766	958,532	958,532	-
Salaries of Secretarial and Clerical Assistants	585,161	(420)	584,741	583,992	749
Purchased Professional and Technical Services	42,000		42,000	31,000	11,000
Other Purchased Services	49,735		49,735	36,174	13,561
Supplies and Materials	44,674	17,220	61,894	44,859	17,035
Other Objects	33,100	(975)	32,125	17,296	14,829
<b>Total Undistributed Expenditures - Support Services - School Admin.</b>	<b>1,712,436</b>	<b>16,591</b>	<b>1,729,027</b>	<b>1,671,853</b>	<b>57,174</b>
Undistributed Expenditures - Central Services					
Salaries	397,630	411	398,041	398,041	-
Purchased Professional Services	54,250	(22,740)	31,510	31,510	-
Purchased Technical Services	42,450	(6,907)	35,543	27,688	7,855
Miscellaneous Purchased Services	4,050		4,050	4,050	-
Supplies and Materials	9,000	(254)	8,746	8,746	-
Interest on Current Loans		16,415	16,415	16,415	-
Miscellaneous Expenditures	6,000	(1,855)	4,145	4,145	-
<b>Total Undistributed Expenditures - Central Services</b>	<b>513,380</b>	<b>(14,930)</b>	<b>498,450</b>	<b>490,595</b>	<b>7,855</b>
Undistributed Expenditures - Admin. Info. Technology					
Salaries	242,069	(25,722)	216,347	216,068	279
Purchased Technical Services	80,000	72,592	152,592	101,406	51,186
Supplies and Materials	120,000	(12,088)	107,912	107,863	49
<b>Total Undistributed Expenditures - Admin. Info. Technology</b>	<b>442,069</b>	<b>34,782</b>	<b>476,851</b>	<b>425,337</b>	<b>51,514</b>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Cleaning, Repair and Maintenance Services	\$ 213,800	\$ 22,718	\$ 236,518	\$ 173,030	\$ 63,488
General Supplies	90,000	(10,269)	79,731	34,575	45,156
Other Objects	16,250		16,250	7,425	8,825
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	<u>320,050</u>	<u>12,449</u>	<u>332,499</u>	<u>215,030</u>	<u>117,469</u>
Undistributed Expenditures - Custodial Services:					
Salaries	1,356,303	(141,209)	1,215,094	1,203,486	11,608
Cleaning, Repair, and Maintenance of Plant Services	180,000	(147,570)	32,430	31,816	614
Other Purchased Property Services	77,000		77,000	69,716	7,284
Insurance	229,340	2,931	232,271	232,271	-
General Supplies	175,000	(5,573)	169,427	162,072	7,355
Energy (Natural Gas)	275,000	(83,211)	191,789	186,094	5,695
Energy (Electricity)	625,000	(92,073)	532,927	532,927	-
Other Objects	5,000	3,070	8,070	7,130	940
Total Undistributed Expenditures - Custodial Services	<u>2,922,643</u>	<u>(463,635)</u>	<u>2,459,008</u>	<u>2,425,512</u>	<u>33,496</u>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	166,531	(11,126)	155,405	154,155	1,250
Cleaning, Repair, and Maintenance Services	2,000	19,992	21,992	21,992	-
General Supplies	20,000	21,798	41,798	41,798	-
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>188,531</u>	<u>30,664</u>	<u>219,195</u>	<u>217,945</u>	<u>1,250</u>
Undistributed Expenditures - Security:					
Salaries		113,483	113,483	113,483	-
Cleaning, Repair, and Maintenance Services		32,530	32,530	32,530	-
Total Undistributed Expenditures - Security	<u>-</u>	<u>146,013</u>	<u>146,013</u>	<u>146,013</u>	<u>-</u>
Total Undistributed Expenditures - Operation and Maintenance Plant Services	<u>3,431,224</u>	<u>(274,509)</u>	<u>3,156,715</u>	<u>3,004,500</u>	<u>152,215</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Student Transportation Services:					
Salaries for Pupil Transportation (Home and School) - Reg.	\$ 25,000	\$ (4,408)	\$ 20,592	\$ 20,592	
Contracted Services - Aid in Lieu - Non Public School	77,792	(7,874)	69,918	68,333	\$ 1,585
Contracted Services - Aid in Lieu - Charter School	48,620	(4,420)	44,200	43,758	442
Contracted Services - (Home and School) - Vendors	642,568	73,538	716,106	683,594	32,512
Contracted Services - (Not Home and School) - Vendors	82,250	20,000	102,250	100,356	1,894
Contracted Services - (Special Education students) - Vendors	484,638	31,555	516,193	509,767	6,426
Contracted Services (Regular Education Students) - ESC's	95,000	10,000	105,000	98,527	6,473
Contracted Services (Special Education Students) - ESC's	415,000	12,822	427,822	391,089	36,733
Miscellaneous Purchased Services - Transportation	1,000		1,000	699	301
General Supplies		582	582	582	-
Other Objects	25,000	6,673	31,673	29,399	2,274
Total Student Transportation Services	<u>1,896,868</u>	<u>138,468</u>	<u>2,035,336</u>	<u>1,946,696</u>	<u>88,640</u>
Unallocated Benefits:					
Social Security Contributions	400,000		400,000	372,468	27,532
Pension Contributions - Normal	400,338		400,338	382,571	17,767
DCRP Pension Contributions	20,000		20,000	16,893	3,107
Workmen's Compensation	229,340	24,183	253,523	253,523	-
Health Benefits	5,596,833	(24,183)	5,572,650	5,423,219	149,431
Tuition Reimbursement	50,000		50,000	39,005	10,995
Other Employee Benefits	344,331		344,331	304,008	40,323
Total Unallocated Benefits	<u>7,040,842</u>	<u>-</u>	<u>7,040,842</u>	<u>6,791,687</u>	<u>249,155</u>
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				1,229,934	(1,229,934)
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				61,267	(61,267)
On-behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,537,464	(1,537,464)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,258,511	(1,258,511)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,087,176</u>	<u>(4,087,176)</u>
Total Undistributed Expenditures	<u>21,846,162</u>	<u>(51,396)</u>	<u>21,794,766</u>	<u>24,953,229</u>	<u>(3,158,463)</u>
Interest Earned on Current Expense Emergency Reserve	500		500		500
Total Current Expense	<u>36,765,256</u>	<u>(79,736)</u>	<u>36,685,520</u>	<u>39,559,744</u>	<u>(2,874,224)</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve:	\$ 2,500		\$ 2,500		\$ 2,500
Total Capital Reserve:	2,500	-	2,500	-	2,500
Equipment:					
Regular Programs - Instruction					
Grades 1-5		\$ 7,270	7,270	\$ 7,270	-
Grades 9-12		3,594	3,594	3,594	-
Undistributed Expenditures:					
Instruction		41,499	41,499	41,499	
Support Serv. - Students - Special	5,900	2,417	8,317	4,413	3,904
Admin. Info. Technology	2,500	48,774	51,274	41,379	9,895
Operation of Plant and Equipment		35,364	35,364		35,364
Custodial Services	10,000	30,725	40,725	40,725	-
Student Transportation Services		65,039	65,039		65,039
Total Equipment	18,400	234,682	253,082	138,880	114,202
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	7,500	76,175	83,675	45,769	37,906
Construction Services	57,500	73,360	130,860	70,789	60,071
Assessment for Debt Service	19,250		19,250	19,250	-
Total Facilities Acquisition and Construction Services	84,250	149,535	233,785	135,808	97,977
Total Capital Outlay	105,150	384,217	489,367	274,688	214,679

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	\$ 3,000		\$ 3,000	\$ 1,520	\$ 1,480
Total Summer School - Instruction	3,000		3,000	1,520	1,480
Transfer of Funds to Charter School	315,000	\$ 30,000	345,000	329,183	15,817
Total Expenditures	37,188,406	334,481	37,522,887	40,165,135	(2,642,248)
<b>Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(203,273)	(334,481)	(537,754)	1,469,223	2,006,977
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund	(519,911)	(69,447)	(589,358)	(589,358)	-
Total Other Financing Sources (Uses)	(519,911)	(69,447)	(589,358)	(589,358)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(723,184)	(403,928)	(1,127,112)	879,865	2,006,977
Fund Balances, July 1	3,776,390	865,457	4,641,847	4,321,392	(320,455)
Fund Balances, June 30	<u>\$ 3,053,206</u>	<u>\$ 461,529</u>	<u>\$ 3,514,735</u>	<u>\$ 5,201,257</u>	<u>\$ 1,686,522</u>
<b>Recapitulation:</b>					
Restricted:					
Capital Reserve				\$ 2,326,253	
Emergency Reserve				327,735	
Maintenance Reserve				250,000	
Excess Surplus				655,525	
Excess Surplus--Designated for Subsequent Year's Expenditures				587,701	
Assigned:					
Year-End Encumbrances				294,729	
Designated for Subsequent Year's Expenditures				11,492	
Unassigned				<u>747,822</u>	
				<u>5,201,257</u>	
Reconciliation to Governmental Funds Statements(GAAP):				<u>(2,387,872)</u>	
Last 15-16 State Aid Payment Not Recognized on GAAP Basis				<u>\$ 2,813,385</u>	

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
State Sources:					
Preschool Program Aid	\$ 1,248,232	\$ 7,577	\$ 1,255,809	\$ 1,201,098	\$ (54,711)
Total - State Sources	<u>1,248,232</u>	<u>7,577</u>	<u>1,255,809</u>	<u>1,201,098</u>	<u>(54,711)</u>
Federal Sources:					
Title I	1,403,476	177,796	1,581,272	1,506,770	(74,502)
Title IIA	83,840	(2,439)	81,401	81,401	-
Title III	130,180	30,514	160,694	141,804	(18,890)
Title III Immigrant		28,261	28,261	28,261	-
I.D.E.I.A., Part B	615,218	60,247	675,465	675,465	-
I.D.E.I.A., Part B, Preschool		30,667	30,667	21,854	(8,813)
Preschool Expansion	<u>776,869</u>	<u>(182,837)</u>	<u>594,032</u>	<u>535,528</u>	<u>(58,504)</u>
Total - Federal Sources	<u>3,009,583</u>	<u>142,209</u>	<u>3,151,792</u>	<u>2,991,083</u>	<u>(160,709)</u>
Total Revenues	<u>4,257,815</u>	<u>149,786</u>	<u>4,407,601</u>	<u>4,192,181</u>	<u>(215,420)</u>

(Continued)



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 1,840,245	\$ (6,918)	\$ 1,833,327	\$ 1,780,315	\$ 53,012
Other Salaries for Instruction	221,560	14,694	236,254	233,690	2,564
Purchased Professional and Educational Services	103,398	57,475	160,873	157,242	3,631
General Supplies	115,000	268,093	383,093	331,649	51,444
Tuition	615,218	69,060	684,278	675,465	8,813
<b>Total Instruction</b>	<b>2,895,421</b>	<b>402,404</b>	<b>3,297,825</b>	<b>3,178,361</b>	<b>119,464</b>
Support Services:					
Salaries Personnel Services	395,385	(17,948)	377,437	369,364	8,073
Personnel Services - Employee Benefits	932,665	(143,801)	788,864	788,775	89
Purchased Technical Services	116,370		116,370	116,370	-
Purchased Professional Educational Services	4,500	37,238	41,738	29,803	11,935
Cleaning, Repair, and Maintenance Services	125,000	(16,510)	108,490	74,207	34,283
Rentals	55,000	6,334	61,334	57,500	3,834
Other Purchased Services (400-500 series)		59,149	59,149	49,364	9,785
Contracted Services - Trans (Bet. Home & School)	26,815	41,972	68,787	68,211	576
Supplies and Materials	2,000.00	43,174	45,174	31,462	13,712
<b>Total Support Services</b>	<b>1,657,735</b>	<b>9,608</b>	<b>1,667,343</b>	<b>1,585,056</b>	<b>82,287</b>
Facilities Acquisition and Construction Services:					
Facilities Construction		14,900	14,900	1,231	13,669
Instructional Equipment	224,570	(207,679)	16,891	16,891	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>224,570</b>	<b>(192,779)</b>	<b>31,791</b>	<b>18,122</b>	<b>13,669</b>
<b>Total Expenditures</b>	<b>4,777,726</b>	<b>219,233</b>	<b>4,996,959</b>	<b>4,781,539</b>	<b>215,420</b>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	519,911	69,447	589,358	589,358	-
<b>Total Outflows</b>	<b>4,257,815</b>	<b>149,786</b>	<b>4,407,601</b>	<b>4,192,181</b>	<b>215,420</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 For the Fiscal Year Ended June 30, 2016

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 41,634,358	\$ 4,192,181
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(42,110)
Prior Year		224,705
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	2,386,989	99,540
The last two State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(2,387,872)</u>	<u>(118,342)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 41,633,475</u>	<u>\$ 4,355,974</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 40,165,135	\$ 4,781,539
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(42,110)
Prior Year		224,705
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 40,165,135</u>	<u>\$ 4,964,134</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

# **ACCOUNTING AND REPORTING FOR PENSIONS**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Three Fiscal Years

	<b>Measurement Date Ending June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.0444988772%	0.0444136834%	0.0456354772%
School District's Proportionate Share of the Net Pension Liability	\$ 9,989,106	\$ 8,315,456	\$ 8,721,846
School District's Covered-Employee Payroll	\$ 3,229,444	\$ 3,187,508	\$ 3,315,292
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	309.31%	260.88%	263.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Three Fiscal Years

	<b>Fiscal Year Ended June 30,</b>		
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 401,522	\$ 382,571	\$ 366,140
Contributions in Relation to the Contractually Required Contribution	<u>(401,522)</u>	<u>(382,571)</u>	<u>(366,140)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered-Employee Payroll	\$ 3,180,675	\$ 3,071,251	\$ 3,050,796
Contributions as a Percentage of School District's Covered-Employee Payroll	12.62%	12.46%	12.00%

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Three Fiscal Years

	<b>Measurement Date Ending June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>103,578,894</u>	<u>86,733,626</u>	<u>85,033,581</u>
	<u>\$ 103,578,894</u>	<u>\$ 86,733,626</u>	<u>\$ 85,033,581</u>
School District's Covered-Employee Payroll	\$ 19,269,780	\$ 19,214,192	\$ 18,549,680
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	537.52%	451.40%	458.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last 10 Fiscal Years

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This schedule is not applicable.

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

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



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2016

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**Public Employees' Retirement System (PERS)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

	<u>Total</u>	<u>Preschool Program Aid</u>	<u>Preschool Expansion</u>	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Title III</u>	<u>Total Brought Forward</u>
<b>REVENUES:</b>							
State Sources	\$ 1,201,098	\$ 1,201,098					
Federal Sources	2,991,083		\$ 535,528	\$ 1,506,770	\$ 81,401	\$ 141,804	\$ 725,580
<b>Total Revenues</b>	<b>\$ 4,192,181</b>	<b>\$ 1,201,098</b>	<b>\$ 535,528</b>	<b>\$ 1,506,770</b>	<b>\$ 81,401</b>	<b>\$ 141,804</b>	<b>\$ 725,580</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	\$ 1,780,315	\$ 647,777	\$ 78,720	\$ 930,939	\$ 58,777	\$ 43,913	\$ 20,189
Other Salaries for Instruction	233,690	215,491	18,199				-
Purchased Professional and Educational Services	157,242	116,934	15,095	25,213			-
General Supplies	331,649	9,785	102,816	147,682		64,837	6,529
Tuition	675,465						675,465
<b>Total Instruction</b>	<b>3,178,361</b>	<b>989,987</b>	<b>214,830</b>	<b>1,103,834</b>	<b>58,777</b>	<b>108,750</b>	<b>702,183</b>
<b>Support Services:</b>							
Other Salaries	369,364	287,751	60,801	9,107			11,705
Personnel Services - Employee Benefits	788,775	366,173	76,513	308,800	22,624	2,973	11,692
Purchased Professional - Technical Services	116,370		116,370				-
Purchased Professional - Educational Services	29,803		5,774	24,029			-
Cleaning, Repair, and Maintenance Services	74,207	50,785	23,422				-
Rentals	57,500	47,150	10,350				-
Other Purchased Services (400-500 series)	49,364			21,230		28,134	-
Contracted Services - Trans (Bet. Home & School)	68,211	33,645	6,471	28,095			-
Supplies and Materials	31,462	14,965	2,875	11,675		1,947	-
<b>Total Support Services</b>	<b>1,585,056</b>	<b>800,469</b>	<b>302,576</b>	<b>402,936</b>	<b>22,624</b>	<b>33,054</b>	<b>23,397</b>
<b>Facilities Acquisition and Construction Services:</b>							
Instructional Equipment	16,891		16,891				-
Facilities Construction	1,231		1,231				-
<b>Total Facilities Acquisition and Construction Services</b>	<b>18,122</b>	<b>-</b>	<b>18,122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>4,781,539</b>	<b>1,790,456</b>	<b>535,528</b>	<b>1,506,770</b>	<b>81,401</b>	<b>141,804</b>	<b>725,580</b>
<b>Other Financing Sources (Uses):</b>							
Transfer from Operating Budget - Pre K	589,358	589,358					
<b>Total Outflows</b>	<b>4,192,181</b>	<b>1,201,098</b>	<b>535,528</b>	<b>1,506,770</b>	<b>81,401</b>	<b>141,804</b>	<b>725,580</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

	Total Carried Forward	Title III Immigrant	I.D.E.I.A. Part B Basic	I.D.E.I.A Preschool
REVENUES:				
State Sources				
Federal Sources	\$ 725,580	\$ 28,261	\$ 675,465	\$ 21,854
Total Revenues	<u>\$ 725,580</u>	<u>\$ 28,261</u>	<u>\$ 675,465</u>	<u>\$ 21,854</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	\$ 20,189	\$ 20,189		
Other Salaries for Instruction	-			
Purchased Professional and Educational Services	-			
General Supplies	6,529	6,529		
Tuition	675,465		\$ 675,465	
Total Instruction	<u>702,183</u>	<u>26,718</u>	<u>675,465</u>	<u>-</u>
Support Services:				
Salaries Personnel Services	11,705	1,543		\$ 10,162
Personnel Services - Employee Benefits	11,692			11,692
Purchased Professional - Technical Services	-			
Purchased Professional - Educational Services	-			
Cleaning, Repair, and Maintenance Services	-			
Rentals	-			
Other Purchased Services (400-500 series)	-			
Supplies and Materials	-			
Other Objects	-			
Total Support Services	<u>23,397</u>	<u>1,543</u>	<u>-</u>	<u>21,854</u>
Facilities Acquisition and Construction Services:				
Instructional Equipment	-			
Facilities Construction	-			
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>725,580</u>	<u>28,261</u>	<u>675,465</u>	<u>21,854</u>
Other Financing Sources (Uses):				
Transfer from Operating Budget - Pre K	-	-	-	-
Total Outflows	<u>725,580</u>	<u>28,261</u>	<u>675,465</u>	<u>21,854</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Special Revenue Fund  
Schedule of Preschool Education Aid Expenditure:  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>			
Instruction			
Salaries of Teachers:	\$ 654,494	\$ 647,777	\$ 6,717
Other Salaries for Instructor	216,243	215,491	752
Purchased Professional and Educational Service	119,173	116,934	2,239
General Supplies	13,049	9,785	3,264
	<u>1,002,959</u>	<u>989,987</u>	<u>12,972</u>
Total instruction			
Support services			
Salaries of Program Directors:	77,661	77,661	-
Other Support Salaries:	215,402	210,090	5,312
Personal Services - Employee Benefit:	366,173	366,173	-
Other Purchased Professional Service:	3,990	-	3,990
Cleaning, Repair & Maintenance Service:	79,074	50,785	28,289
Rentals	50,984	47,150	3,834
Contracted Services - Transportation (Bet. Home & School	33,812	33,645	167
Supplies & Materials	15,111	14,965	146
	<u>842,207</u>	<u>800,469</u>	<u>41,738</u>
Total support services			
Total expenditures	<u>\$ 1,845,166</u>	<u>\$ 1,790,456</u>	<u>\$ 54,710</u>

Calculation of Budget and Carryover

Total Revised 2015-2016 Preschool Education Aid Allocation	\$ 1,183,420
Add: Actual ECPA Carryover (June 30, 2015)	166,718
Add: Budgeted Transfer from the General Fund 2014-15	589,358
	<u>1,939,496</u>
Total Preschool Education Aid Funds Available for 2015-16 Budget	
Less: 2015-16 Budgeted Preschool Education Aid (Including	
Prior Year Budgeted Carryover)	<u>(1,845,166)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2016	94,330
Add: 2015-16 Unexpended Preschool Education Aid	54,710
Less: 2015-16 Commissioner Approved Transfer to General Fund	-
	<u>149,040</u>
2015-2016 Carryover -- Preschool Education Aid	<u>\$ 149,040</u>
2015-16 Preschool Education Aid Carryover Budgeted in 2016-17	<u>\$ 166,718</u>

**CAPITAL PROJECTS FUND**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2016

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Middle School Façade Stabilization	9/4/2014	\$ 997,518	\$ 952,164		\$ 45,354
Middle School Courtyard Drainage	9/8/2015	497,664	148,289	\$ 349,375	-
Middle School Partial HVAC	9/8/2015	4,525,838	984,966	3,399,890	140,982
Middle School Room A104	9/8/2015	175,250	15,938	159,312	-
School Five Playground	9/1/2011	<u>93,872</u>	<u>88,194</u>		<u>5,678</u>
Total		<u>\$ 6,290,142</u>	<u>\$ 2,189,551</u>	<u>\$ 3,908,577</u>	<u>\$ 192,014</u>
Restricted For:					
Designated for Subsequent Years Expenditures					<u>\$ 192,014</u>
					<u>\$ 192,014</u>



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances  
 For the Fiscal Year Ended June 30, 2016

**Revenues and Other Financing Sources**

State Sources - SDA Grant  
 Bond Proceeds and Transfers  
 Contribution from Private Source  
 Transfer from Capital Reserve  
 Transfer from Capital Outlay

Total Revenues

-

**Expenditures and Other Financing Uses**

Purchased Professional and Technical Services  
 Land and Improvements  
 Construction Services  
 Equipment Purchases

\$ 156,638

3,751,939

Total Expenditures

3,908,577

Excess (Deficiency) of Revenues Over (Under) Expenditures

(3,908,577)

Fund Balance - July 1

4,100,591

Fund Balance - June 30

\$ 192,014

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Capital Projects Fund  
 Statement of Project Revenues, Expenditures, Project Balance and Project Status  
 Middle School Façade Stabilization and Repairs  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 677,166		\$ 677,166	\$ 677,166
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve	320,352		320,352	320,352
Transfer from Capital Outlay			-	-
Total Revenues	<u>997,518</u>	<u>-</u>	<u>997,518</u>	<u>997,518</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	141,431		141,431	141,431
Land and Improvements			-	-
Construction Services	810,733		810,733	810,733
Equipment Purchases			-	-
Total Expenditures	<u>952,164</u>	<u>-</u>	<u>952,164</u>	<u>952,164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 45,354</u>	<u>\$ -</u>	<u>\$ 45,354</u>	<u>\$ 45,354</u>

## Additional Project Information:

Project Number	2670-090-13-3002
Grant Date	4/11/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,109,200
Additional Authorized Cost	-
Revised Authorized Cost	1,109,200
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100%
Original Target Completion Date	9/4/2014
Revised Target Completion Date	9/4/2014

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Capital Projects Fund  
 Statement of Project Revenues, Expenditures, Project Balance and Project Status  
 Middle School Courtyard Drainage and Foundation Waterproofing  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 353,932		\$ 353,932	\$ 353,932
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve	143,732		143,732	143,732
Transfer from Capital Outlay			-	-
Total Revenues	<u>497,664</u>	<u>-</u>	<u>497,664</u>	<u>497,664</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	67,512	\$ 16,959	84,471	84,471
Land and Improvements			-	-
Construction Services	80,777	332,416	413,193	413,193
Equipment Purchases			-	-
Total Expenditures	<u>148,289</u>	<u>349,375</u>	<u>497,664</u>	<u>497,664</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 349,375</u>	<u>\$ (349,375)</u>	<u>\$ -</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	2670-090-13-3003
Grant Date	4/11/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 497,664
Additional Authorized Cost	-
Revised Authorized Cost	497,664
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	9/8/2015
Revised Target Completion Date	9/8/2015

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Capital Projects Fund  
 Statement of Project Revenues, Expenditures, Project Balance and Project Status  
 Middle School Partial HVAC Replacement, New Air Conditioning  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 2,844,744		\$ 2,844,744	\$ 2,844,744
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve	1,681,094		1,681,094	1,681,094
Transfer from Capital Outlay			-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>4,525,838</u>	<u>-</u>	<u>4,525,838</u>	<u>4,525,838</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	302,465	\$ 134,367	436,832	436,832
Land and Improvements			-	-
Construction Services	682,501	3,265,523	3,948,024	3,948,024
Equipment Purchases			-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>984,966</u>	<u>3,399,890</u>	<u>4,384,856</u>	<u>4,384,856</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,540,872</u>	<u>\$ (3,399,890)</u>	<u>\$ 140,982</u>	<u>\$ 140,982</u>

Additional Project Information:

Project Number	2670-090-14-1006
Grant Date	7/14/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 4,000,000
Additional Authorized Cost	525,838
Revised Authorized Cost	4,525,838
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	9/8/2015
Revised Target Completion Date	9/8/2015

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Capital Projects Fund  
 Statement of Project Revenues, Expenditures, Project Balance and Project Status  
 Middle School Room A 104  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant			-	-
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve	\$ 175,250		\$ 175,250	\$ 175,250
Transfer from Capital Outlay			-	-
Total Revenues	<u>175,250</u>	<u>-</u>	<u>175,250</u>	<u>175,250</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	15,938	\$ 5,312	21,250	21,250
Land and Improvements			-	-
Construction Services		154,000	154,000	154,000
Equipment Purchases			-	-
Total Expenditures	<u>15,938</u>	<u>159,312</u>	<u>175,250</u>	<u>175,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 159,312</u>	<u>\$ (159,312)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ -
Additional Authorized Cost	-
Revised Authorized Cost	-
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	9/8/2015
Revised Target Completion Date	9/8/2015

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Capital Projects Fund  
 Statement of Project Revenues, Expenditures, Project Balance and Project Status  
 School Five Playground Installation  
 From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 67,516		\$ 67,516	\$ 67,516
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve	26,356		26,356	26,356
Transfer from Capital Outlay			-	-
Total Revenues	<u>93,872</u>	<u>-</u>	<u>93,872</u>	<u>93,872</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries - Project Management	2,000		2,000	2,000
Purchased Professional and Technical Services			-	-
Land and Improvements			-	-
Construction Services	86,194		86,194	86,194
Equipment Purchases			-	-
Total Expenditures	<u>88,194</u>	<u>-</u>	<u>88,194</u>	<u>88,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,678</u>	<u>\$ -</u>	<u>\$ 5,678</u>	<u>\$ 5,678</u>

## Additional Project Information:

Project Number	2670-050-10-1006
Grant Date	12/14/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 101,853
Additional Authorized Cost	(7,981)
Revised Authorized Cost	93,872
Percentage Increase over Original Authorized Cost	-7.84%
Percentage Completion	100%
Original Target Completion Date	9/1/2011
Revised Target Completion Date	9/1/2011

**PROPRIETARY FUNDS**

## BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Proprietary Fund  
Statement of Net Position  
June 30, 2016

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	Business-Type Activities - <u>Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 152,773
Accounts Receivable:	
State	1,356
Federal	106,652
Inventories	<u>7,877</u>
Total Current Assets	<u>268,658</u>
Noncurrent Assets:	
Equipment	810,178
Less Accumulated Depreciation	<u>(406,553)</u>
Total Noncurrent Assets	<u>403,625</u>
Total Assets	<u>672,283</u>
LIABILITIES :	
Current Liabilities:	
Accounts Payable	<u>10,441</u>
Total Current Liabilities	<u>10,441</u>
NET POSITION:	
Net Investment in Capital Assets	403,625
Unrestricted	<u>258,217</u>
Total Net Position	<u>\$ 661,842</u>



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Proprietary Fund  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 113,161
Daily Sales - Non-Reimbursable Programs	57,589
Special Functions	<u>8,726</u>
Total Operating Revenues	<u>179,476</u>
<b>OPERATING EXPENSES:</b>	
Salaries	491,792
Employee Benefits	107,331
Supplies and Materials	83,304
Cost of Sales - Reimbursable Programs	799,391
Cost of Sales - Non-Reimbursable Programs	32,789
Management Fee	77,506
Repairs and Maintenance	24,201
Depreciation	30,350
Loss on Disposal of Equipment	<u>317</u>
Total Operating Expenses	<u>1,646,981</u>
Operating Income (Loss)	<u>(1,467,505)</u>
<b>NONOPERATING REVENUES:</b>	
State Sources:	
State School Lunch Program	19,722
Federal Sources:	
Healthy Hunger Free Kids Program	21,791
Fresh Fruits & Vegetables Program	42,026
National School Lunch Program	964,271
School Breakfast Program	336,916
Summer Feeding Program	9,647
United States Department of Agriculture Commodities	109,220
Interest and Investment Revenue	<u>723</u>
Total Nonoperating Revenues	<u>1,504,316</u>
Change in Net Position	36,811
Total Net Position -- July 1	<u>625,031</u>
Total Net Position -- June 30	<u><u>\$ 661,842</u></u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 179,476
Payments to Employees	(491,792)
Payments for Employee Benefits	(107,331)
Payments to Suppliers	<u>(942,857)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,362,504)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Cash Received from Federal and State Reimbursements	<u>1,384,137</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,384,137</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	<u>(210,628)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(210,628)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends	<u>723</u>
Net Cash Provided by (used for) Investing Activities	<u>723</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(188,272)
Cash and Cash Equivalents -- July 1	<u>341,045</u>
Cash and Cash Equivalents -- June 30	<u>\$ 152,773</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (1,467,505)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	30,350
Loss on Disposal of Equipment	317
Federal Commodities	109,220
(Increase) Decrease in Inventories	3,592
Increase (Decrease) in Other Current Liabilities	<u>(38,478)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,362,504)</u>

**FIDUCIARY FUNDS**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2016

	Private Purpose Trust Funds			Agency Funds		
	Unemployment Compensation Trust	Scholarship Trust	Total Trust Fund	Student Activity	Payroll	Total Agency Fund
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 391,313	\$ 2,148	\$ 393,461	\$ 110,106	\$ 21,780	\$ 131,886
Total Assets	<u>391,313</u>	<u>2,148</u>	<u>393,461</u>	<u>110,106</u>	<u>21,780</u>	<u>131,886</u>
<b>LIABILITIES:</b>						
Payable to Student Groups				\$ 110,106		\$ 110,106
Payroll Deductions and Withholdings					\$ 21,780	\$ 21,780
Total Liabilities				<u>\$ 110,106</u>	<u>\$ 21,780</u>	<u>\$ 131,886</u>
<b>NET POSITION:</b>						
Held in Trust for Unemployment Claims and Other Purposes	<u>391,313</u>	<u>2,148</u>	<u>393,461</u>			
Total Net Position	<u>\$ 391,313</u>	<u>\$ 2,148</u>	<u>\$ 393,461</u>			

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2016

	<u>Private Purpose Trust Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	
<b>ADDITIONS:</b>			
Contributions:			
Employee Withholdings	\$ 37,140		\$ 37,140
Gifts and Contributions		\$ 100	100
Total Contributions	<u>37,140</u>	<u>100</u>	<u>37,240</u>
Investment Earnings:			
Interest	1,512	9	1,521
Net Investment Earnings	<u>1,512</u>	<u>9</u>	<u>1,521</u>
Total Additions	<u>38,652</u>	<u>109</u>	<u>38,761</u>
<b>DEDUCTIONS:</b>			
Unemployment Compensation			
Insurance Claims	48,560		48,560
Scholarships Awarded		1,000	1,000
Total Deductions	<u>48,560</u>	<u>1,000</u>	<u>49,560</u>
Change in Net Position	(9,908)	(891)	(10,799)
Net Position -- July 1	<u>401,221</u>	<u>3,039</u>	<u>404,260</u>
Net Position -- June 30	<u>\$ 391,313</u>	<u>\$ 2,148</u>	<u>\$ 393,461</u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

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	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary Schools	\$ 11,222	\$ 47,225	\$ 47,505	\$ 10,942
Middle School	12,460	23,651	27,988	8,123
High School	71,971	201,669	226,180	47,460
Athletics	<u>70,278</u>	<u>7,014</u>	<u>33,711</u>	<u>43,581</u>
Total All Schools	<u>\$ 165,931</u>	<u>\$ 279,559</u>	<u>\$ 335,384</u>	<u>\$ 110,106</u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

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	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 62,324	\$ 9,973,358	\$ 10,013,902	\$ 21,780
Total Assets	<u>\$ 62,324</u>	<u>\$ 9,973,358</u>	<u>\$ 10,013,902</u>	<u>\$ 21,780</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 59,495	\$ 9,973,358	\$ 10,011,073	\$ 21,780
Interfund Accounts Payable:				
Due General Fund	<u>2,829</u>		<u>2,829</u>	
Total Liabilities	<u>\$ 62,324</u>	<u>\$ 9,973,358</u>	<u>\$ 10,013,902</u>	<u>\$ 21,780</u>

**LONG-TERM DEBT**



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds of 2003	7/30/03	\$ 1,515,000	10/1/16	\$ 30,000	5.35%	\$ 335,000		\$ 165,000	\$ 170,000
			10/1/17	35,000	5.35%				
			10/1/18	35,000	5.35%				
			10/1/19	35,000	5.35%				
			10/1/20	35,000	5.35%				
Refunding Bonds of 2015	3/3/15	10,910,000	6/1/17	1,075,000	3.00%	<u>10,775,000</u>		<u>1,035,000</u>	<u>9,740,000</u>
			6/1/18	1,095,000	4.00%				
			6/1/19	1,085,000	4.00%				
			6/1/20	1,100,000	4.00%				
			6/1/21	1,080,000	4.00%				
			6/1/22	1,090,000	4.00%				
			6/1/23	1,075,000	4.00%				
			6/1/24	1,080,000	4.00%				
			6/1/25	1,060,000	4.00%				
					<u>\$ 11,110,000</u>	<u>\$ -</u>	<u>\$ 1,200,000</u>	<u>\$ 9,910,000</u>	

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 963,260	_____	\$ 963,260	\$ 963,260	_____ -
Total - Local Sources	963,260	_____	963,260	963,260	_____ -
State Sources:					
Debt Service Aid Type II	632,611	_____	632,611	632,611	_____ -
Total Revenues	1,595,871	_____ -	1,595,871	1,595,871	_____ -
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	424,419	_____	424,419	424,419	_____ -
Redemption of Principal	1,200,000	_____	1,200,000	1,200,000	_____ -
Total Regular Debt Service	1,624,419	_____ -	1,624,419	1,624,419	_____ -
Total Expenditures	1,624,419	_____ -	1,624,419	1,624,419	_____ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,548)	_____	(28,548)	(28,548)	_____ -
Fund Balance, July 1	_____	_____	_____	32,369	\$ 32,369
Fund Balance, June 30	<u>\$ (28,548)</u>	<u>\$ -</u>	<u>\$ (28,548)</u>	<u>\$ 3,821</u>	<u>\$ 32,369</u>

**STATISTICAL SECTION**

## **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.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 14,768,369	\$ 10,493,273	\$ 7,918,970	\$ 7,275,595	\$ 6,983,436	\$ 5,554,417	\$ 5,139,472	\$ 5,296,747	\$ 4,986,556	\$ 4,555,138
Restricted	4,354,541	7,319,463	9,035,690	3,954,658	3,348,540	2,776,274	2,504,335	3,977,190	1,647,956	1,480,439
Unrestricted	(11,297,897)	(10,999,248)	(1,848,835)	(1,560,868)	(1,350,195)	(789,456)	(2,222,237)	(2,411,268)	(832,083)	(755,411)
<b>Total Governmental Activities Net Position</b>	<b>\$ 7,825,013</b>	<b>\$ 6,813,488</b>	<b>\$ 15,105,825</b>	<b>\$ 9,669,385</b>	<b>\$ 8,981,781</b>	<b>\$ 7,541,235</b>	<b>\$ 5,421,570</b>	<b>\$ 6,862,669</b>	<b>\$ 5,802,429</b>	<b>\$ 5,280,166</b>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 403,625	\$ 223,664	\$ 231,683	\$ 127,346	\$ 105,440	\$ 114,833	\$ 133,785	\$ 114,833	\$ 170,087	\$ 182,936
Restricted										
Unrestricted	258,217	401,367	375,457	459,043	440,081	381,242	298,677	292,802	297,817	265,466
<b>Total Business-type Activities Net Position</b>	<b>\$ 661,842</b>	<b>\$ 625,031</b>	<b>\$ 607,140</b>	<b>\$ 586,389</b>	<b>\$ 545,521</b>	<b>\$ 496,075</b>	<b>\$ 432,462</b>	<b>\$ 407,635</b>	<b>\$ 467,904</b>	<b>\$ 448,402</b>
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 15,171,994	\$ 10,716,937	\$ 8,150,653	\$ 7,402,941	\$ 7,088,876	\$ 5,669,250	\$ 5,273,257	\$ 5,464,939	\$ 5,156,643	\$ 4,738,074
Restricted	4,354,541	7,319,463	9,035,690	3,954,658	3,348,540	2,776,274	2,504,335	3,977,190	1,647,956	1,480,439
Unrestricted	(11,039,680)	(10,597,881)	(1,473,378)	(1,101,825.00)	(910,114)	(408,214)	(1,923,560)	(2,118,466)	(534,266)	(489,945)
<b>Total District-wide Net Position</b>	<b>\$ 8,486,855</b>	<b>\$ 7,438,519</b>	<b>\$ 15,712,965</b>	<b>\$ 10,255,774</b>	<b>\$ 9,527,302</b>	<b>\$ 8,037,310</b>	<b>\$ 5,854,032</b>	<b>\$ 7,323,663</b>	<b>\$ 6,270,333</b>	<b>\$ 5,728,568</b>

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: District Records

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 11,261,969	\$ 11,057,667	\$ 14,907,622	\$ 14,826,688.00	\$ 14,897,891	\$ 14,661,654	\$ 15,632,833	\$ 14,509,452	\$ 13,491,378	\$ 13,788,771
Special Education	3,344,041	3,248,086	4,248,533	3,870,092.00	3,996,133	3,729,694	3,640,152	3,365,958	3,193,350	3,200,561
Other Special Education	3,093,573	2,498,004	3,615,204	4,075,205	3,158,930	2,801,838	2,679,673	2,479,861	3,442,983	2,775,506
Support Services:										
Tuition	2,644,095	2,729,627	2,932,045	2,770,487	2,443,259	2,181,191	2,141,219	2,037,096	2,381,280	2,233,994
Student & Instruction Related Services	4,964,134	4,329,966	5,541,569	5,597,494	5,432,045	5,809,206	5,733,728	5,305,871	5,065,431	5,300,558
General and Business Administrative Services	629,492	608,154	761,716	810,175	632,440	813,817	930,570	1,193,466	1,713,981	1,661,364
School Administrative Services	1,758,550	1,744,404	2,271,374	2,158,628	2,101,350	2,072,514	2,034,921	1,770,860	1,813,229	2,033,648
Business Administrative Services	915,932	926,255	1,139,684	1,149,903	1,228,372	1,194,263	1,324,154	1,179,771	1,029,941	1,135,293
Plant Operations and Maintenance	3,292,293	3,506,721	4,427,868	4,386,444	4,589,609	4,667,562	4,898,187	4,422,962	4,510,849	3,873,543
Pupil Transportation	2,115,856	2,013,381	2,046,297	2,112,168	1,728,714	1,548,395	1,700,853	1,570,558	1,790,291	1,641,795
Unallocated	11,906,972	11,091,851								
Special Schools	330,703	305,972	252,410	163,701	14,023	39,213	99,156	59,065	62,595	111,051
Payment of Bond Issue Costs		149,148								
Interest on Long-term Debt	316,185	612,838	600,023	842,937	721,522	775,353	1,047,622	1,134,991	1,148,195	1,202,561
Total Governmental Activities Expenses	46,573,795	44,822,074	42,744,345	42,763,922	40,944,288	40,294,700	41,863,068	39,029,911	39,643,503	38,958,645
Business-type Activities:										
Food Service	1,646,981	1,522,209	1,448,127	1,363,897	1,156,489	1,070,533	1,112,903	1,017,060	960,893	917,929
Child Care										
Total Business-type Activities Expense	1,646,981	1,522,209	1,448,127	1,363,897	1,156,489	1,070,533	1,112,903	1,017,060	960,893	917,929
Total District Expenses	\$ 48,220,776	\$ 46,344,283	\$ 44,192,472	\$ 44,127,819	\$ 42,100,777	\$ 41,365,233	\$ 42,975,971	\$ 40,046,971	\$ 40,604,396	\$ 39,876,574

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 942,735	\$ 829,453	\$ 714,384	\$ 445,471	\$ 248,950					
Operating Grants and Contributions	4,355,974	3,413,755	3,163,698	3,235,505	3,024,786	4,072,089	3,410,852	2,814,977	5,085,487	4,547,528
Total Governmental Activities Program Revenues	5,298,709	4,243,208	3,878,082	3,680,976	3,273,736	4,072,089	3,410,852	2,814,977	5,085,487	4,547,528
Business-type activities:										
Charges for services:										
Food Service	179,476	176,169	177,684	202,231	217,735	189,935	241,376	260,033	285,165	294,957
Operating Grants and Contributions	1,503,593	1,363,103	1,290,015	1,199,912	984,891	941,095	842,938	749,623	691,464	674,686
Total Business-type Activities Program Revenues	1,683,069	1,539,272	1,467,699	1,402,143	1,202,626	1,131,030	1,084,314	1,009,656	976,629	969,643
Total District Program Revenues	\$ 6,981,778	\$ 5,782,480	\$ 5,345,781	\$ 5,083,119	\$ 4,476,362	\$ 5,203,119	\$ 4,495,166	\$ 3,824,633	\$ 6,062,116	\$ 5,517,171
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (41,275,086)	\$ (40,578,866)	\$ (38,866,263)	\$ (39,082,946)	\$ (37,670,552)	\$ (36,222,611)	\$ (38,452,216)	\$ (36,214,934)	\$ (34,558,016)	\$ (34,411,117)
Business-type Activities	36,088	17,063	19,572	38,246	46,137	60,497	(28,589)	(7,404)	15,736	51,714
Total District-wide Net Expense	\$ (41,238,998)	\$ (40,561,803)	\$ (38,846,691)	\$ (39,044,700)	\$ (37,624,415)	\$ (36,162,114)	\$ (38,480,805)	\$ (36,222,338)	\$ (34,542,280)	\$ (34,359,403)

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,702,827	\$ 10,983,163	\$ 10,522,709	\$ 10,316,381	\$ 10,537,989	\$ 11,010,144	\$ 10,721,531	\$ 11,290,216	\$ 13,050,125	\$ 13,587,700
Taxes Levied for Debt Service	963,260	1,049,162	1,053,069	1,076,444	1,087,673	1,085,298	961,536	1,011,929	998,738	986,467
Unrestricted Grants and Contributions	28,945,991	28,319,499	27,913,659	27,611,057	26,664,844	24,484,800	25,826,751	23,530,875	19,928,621	19,914,131
Restricted State Aid	632,611	595,838	4,689,478	722,141	689,518	1,410,480	866,829	1,154,746	917,548	
Tuition Received	17,321	13,589		27,521	35,213	48,600	93,375	98,452		
Miscellaneous Income	24,601	47,124	106,343	17,006	95,861	56,991	(1,461,542)	175,830	117,968	96,483
<b>Total Governmental Activities</b>	<b>42,286,611</b>	<b>41,008,375</b>	<b>44,302,703</b>	<b>39,770,550</b>	<b>39,111,098</b>	<b>38,096,313</b>	<b>37,011,117</b>	<b>37,275,174</b>	<b>35,080,279</b>	<b>34,676,411</b>
Business-type Activities:										
Investment Earnings	723	828	1,179	2,622	3,309	3,116	57	494	3,766	4,214
<b>Total Business-type Activities</b>	<b>723</b>	<b>828</b>	<b>1,179</b>	<b>2,622</b>	<b>3,309</b>	<b>3,116</b>	<b>57</b>	<b>494</b>	<b>3,766</b>	<b>4,214</b>
<b>Total District-wide</b>	<b>\$ 42,287,334</b>	<b>\$ 41,009,203</b>	<b>\$ 44,303,882</b>	<b>\$ 39,773,172</b>	<b>\$ 39,114,407</b>	<b>\$ 38,099,429</b>	<b>\$ 37,011,174</b>	<b>\$ 37,275,668</b>	<b>\$ 35,084,045</b>	<b>\$ 34,680,625</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,011,525	\$ 429,509	\$ 5,436,440	\$ 687,604	\$ 1,440,546	\$ 1,873,702	\$ (1,441,099)	\$ 1,060,240	\$ 522,263	\$ 265,294
Business-type Activities	36,811	17,891	20,751	40,868	49,446	63,613	(28,532)	(6,910)	19,502	55,928
<b>Total District</b>	<b>\$ 1,048,336</b>	<b>\$ 447,400</b>	<b>\$ 5,457,191</b>	<b>\$ 728,472</b>	<b>\$ 1,489,992</b>	<b>\$ 1,937,315</b>	<b>\$ (1,469,631)</b>	<b>\$ 1,053,330</b>	<b>\$ 541,765</b>	<b>\$ 321,222</b>

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: District Records



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)  
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund										
Restricted	\$ 4,453,435	\$ 3,555,734	\$ 4,257,189	\$ 4,776,115	\$ 4,290,449	\$ 3,391,259	\$ 2,495,139	\$ 3,655,461	\$ 1,642,748	\$ 1,480,334
Unassigned	(1,640,050)	(1,621,331)	(1,548,474)	(1,533,581)	(1,458,232)	(1,373,678)	(1,443,455)	(1,522,296)	(132,371)	(95,300)
<b>Total General Fund</b>	<b>\$ 2,813,385</b>	<b>\$ 1,934,403</b>	<b>\$ 2,708,715</b>	<b>\$ 3,242,534</b>	<b>\$ 2,832,217</b>	<b>\$ 2,017,581</b>	<b>\$ 1,051,684</b>	<b>\$ 2,133,165</b>	<b>\$ 1,510,377</b>	<b>\$ 1,385,034</b>
All Other Governmental Funds										
Restricted		\$ 4,132,960	\$ 5,314,829		\$ 21,396	\$ 887,900	\$ 9,196	\$ 316,521		
Capital Projects Fund	\$ 192,014									
Debt Service Fund	3,821									
Unassigned, Reported in:										
Special Revenue Fund	(118,342)	(99,540)	(87,374)	(73,284)	(68,750)	(64,520)	(30,706)	(30,706)	(126,643)	(93,043)
Debt Service Fund								5,208	5,208	105
<b>Total All Other Governmental Funds</b>	<b>\$ 77,493</b>	<b>\$ 4,033,420</b>	<b>\$ 5,227,455</b>	<b>\$ (73,284)</b>	<b>\$ (47,354)</b>	<b>\$ 823,380</b>	<b>\$ (21,510)</b>	<b>\$ 291,023</b>	<b>\$ (121,435)</b>	<b>\$ (92,938)</b>

Source: District Records

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Changes in Fund Balances - Governmental Funds  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>										
Tax Levy	\$ 12,666,087	\$ 12,032,325	\$ 11,575,778	\$ 11,392,825	\$ 11,625,662	\$ 12,095,442	\$ 11,683,067	\$ 12,302,145	\$ 14,048,863	\$ 14,574,167
Tuition Charges	17,321	13,589	17,445	27,521	35,213	48,600	2,637	98,452		
Interest Earnings	942,735	829,453	714,384	445,471	248,950	245,963	93,375	13,126	67,279	91,630
Miscellaneous	24,601	47,124	106,343	17,006	95,861	56,991	52,264	175,830	117,968	96,483
State Sources	30,599,027	29,776,034	33,256,663	28,907,735	27,182,673	26,634,488	22,793,570	24,938,988	23,767,880	22,026,212
Federal Sources	3,335,549	2,553,058	2,510,172	2,660,968	3,196,475	3,332,881	7,310,862	2,561,610	2,163,776	2,450,711
<b>Total Revenue</b>	<b>47,585,320</b>	<b>45,251,583</b>	<b>48,180,785</b>	<b>43,451,526</b>	<b>42,384,834</b>	<b>42,414,365</b>	<b>41,935,775</b>	<b>40,090,151</b>	<b>40,165,766</b>	<b>39,239,203</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	10,800,858	10,556,630	10,359,195	10,271,887	10,754,950	10,566,790	11,642,002	10,661,565	9,824,419	10,090,130
Special Education Instruction	3,208,234	3,129,233	2,983,164	2,672,666	2,869,217	2,704,093	2,719,223	2,513,368	2,286,160	2,272,236
Other Special Instruction	2,980,792	2,414,736	2,628,664	3,095,136	2,391,715	2,209,220	2,147,820	1,982,126	2,736,837	2,220,609
Support Services:										
Tuition	2,644,095	2,729,627	2,932,045	2,770,487	2,443,259	2,181,191	2,141,219	2,037,095	2,381,280	2,233,994
Student & Instruction Related Services	4,758,351	4,167,163	3,927,108	3,984,989	3,959,050	4,362,118	4,395,557	4,066,011	3,752,684	3,854,398
General Administrative Services	598,458	581,890	524,271	559,029	452,341	585,307	685,171	889,925	1,320,197	1,170,465
School Administrative Services	1,671,853	1,669,070	1,563,332	1,489,475	1,502,951	1,490,578	1,498,295	1,320,467	1,285,391	1,432,746
Central Services	490,595	609,176	735,148	728,578	734,106	653,911	750,673	550,517	516,296	630,921
Administrative Information Technology	425,337	317,079	404,536	421,325	494,266	540,352	573,481	629,254	513,645	504,372
Plant Operations and Maintenance	3,136,489	3,359,547	3,047,595	3,026,691	3,282,631	3,356,968	3,606,494	3,298,044	3,237,810	2,769,855
Pupil Transportation	2,014,907	1,927,573	1,408,417	1,457,417	1,236,430	1,113,625	1,252,324	1,171,109	1,269,130	1,156,678
Unallocated Employee Benefits	11,667,638	11,066,918	10,113,239	10,081,155	9,155,652	8,359,543	8,273,407	7,446,227	8,350,840	8,282,048
Special Schools	330,703	305,972	252,410	163,701	14,023	39,213	99,156	59,065	62,595	111,051
Capital Outlay	4,309,536	2,712,019	730,560	546,018	1,329,668	626,165	1,711,394	497,654	620,453	1,069,430
Debt Service:										
Principal	1,200,000	1,345,000	1,155,000	1,145,000	1,115,000	1,055,000	1,035,000	1,080,436	1,012,037	983,638
Interest and Other Charges	424,419	527,445	600,023	652,743	705,673	759,504	798,573	852,042	899,146	953,512
<b>Total Expenditures</b>	<b>50,662,265</b>	<b>47,419,078</b>	<b>43,364,707</b>	<b>43,066,297</b>	<b>42,440,932</b>	<b>40,603,578</b>	<b>43,329,789</b>	<b>39,054,905</b>	<b>40,068,920</b>	<b>39,741,767</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,076,945)	(2,167,495)	4,816,078	385,229	(56,098)	1,810,787	(1,394,014)	1,035,246	96,846	(502,564)
<b>Other Financing Sources (Uses)</b>										
Proceeds of Refunding Debt		10,910,000								
Payment to Refunded Debt Escrow Agent		(11,555,000)								
Original Issue Premium		1,032,746								
Loss from Issuance		(238,598)								
Transfers In	589,358	1,197,074	1,942,606	349,237				105,858		(15,264)
Transfers Out	(589,358)	(1,197,074)	(1,942,606)	(349,237)				(105,858)		-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>149,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,264)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,076,945)</b>	<b>\$ (2,018,347)</b>	<b>\$ 4,816,078</b>	<b>\$ 385,229</b>	<b>\$ (56,098)</b>	<b>\$ 1,810,787</b>	<b>\$ (1,394,014)</b>	<b>\$ 1,035,246</b>	<b>\$ 96,846</b>	<b>\$ (517,828)</b>
Debt Service as a Percentage of Noncapital Expenditures	3.5%	4.2%	4.1%	4.2%	4.4%	4.5%	4.4%	5.0%	4.8%	5.0%

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 General Fund Other Local Revenue by Source  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	<u>2016</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Interest on Investments	\$ 17,321	\$ 13,589	\$ 17,445	\$ 27,521	\$ 35,213	\$ 48,600	\$ 2,637	\$ 13,126	\$ 67,279	\$ 91,630
Tuition	942,735	829,453	714,384	445,471	248,950	245,963	93,375			
Refunds of Prior Year Expenditures								57,713	44,105	
Miscellaneous	24,601	43,304	106,343	17,006	95,861	56,991	52,264	118,117	73,863	96,483
	<u>\$ 984,657</u>	<u>\$ 886,346</u>	<u>\$ 838,172</u>	<u>\$ 489,998</u>	<u>\$ 380,024</u>	<u>\$ 351,554</u>	<u>\$ 148,276</u>	<u>\$ 188,956</u>	<u>\$ 185,247</u>	<u>\$ 188,113</u>

Source: District Records.

## **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.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
Unaudited

(Fiscal) Ended Dec. 31, (June 30.)	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax Exempt Property	Estimated Actual (County Equalized ) Value	Total Direct School Tax Rate (2)
2015	\$ 7,641,500	\$ 396,879,900	-	-	\$ 53,192,000	\$ 2,179,600	\$ 135,053,300	\$ 594,946,300	\$ 200	\$ 594,946,500	\$ 207,000	\$ 631,109,048	2.075
2014	7,263,500	398,235,000	-	-	53,355,600	2,179,600	134,257,600	595,291,300	200	595,291,500	284,400	616,754,551	1.967
2013	7,260,800	401,778,800	-	-	53,721,000	2,179,600	142,694,600	607,634,800	1,155,230	608,790,030	304,600	629,851,350	1.901
2012	5,407,800	286,132,400	-	-	35,019,400	1,443,400	79,485,800	407,488,800	734,665	408,223,465	497,900	689,333,781	2.819
2011	5,517,500	286,859,800	-	-	36,267,800	1,443,400	86,942,000	417,030,500	698,852	417,729,352	604,300	756,481,985	2.839
2010	5,428,300	286,186,900	-	-	37,177,400	1,411,100	87,600,000	417,803,700	814,107	418,617,807	625,500	798,491,466	2.840
2009	5,690,300	286,506,600	-	-	36,299,700	1,411,100	87,600,000	417,507,700	808,871	418,316,571	599,600	791,516,690	2.866
2008	5,697,300	285,719,100	-	-	36,496,700	1,411,100	95,561,500	424,885,700	701,750	425,587,450	647,400	804,648,202	3.095
2007	5,291,800	282,747,700	-	-	36,424,700	1,411,100	103,069,900	428,945,200	797,266	429,742,466	537,300	870,163,298	3.330
2006	5,255,100	282,591,900	-	-	36,704,200	1,424,900	103,069,900	429,046,000	896,614	429,942,614	462,300	727,555,991	3.130

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

GASB Statement 44 requires that the information in this schedule be shown for each "period for which levied" and should be consistent with the periods shown in the schedule of direct and overlapping property tax rates and schedule of property tax levies and collections.

Source: Municipal Tax Assessor

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Regional School District	Borough of Lindenwold	County of Camden	
2015	\$ 1.907	\$ 0.168	\$ 2.075	\$ -	\$ 1.485	\$ 0.933	\$ 4.493
2014	1.789	0.178	1.967	-	1.455	0.873	4.295
2013	1.728	0.173	1.901	-	1.401	0.854	4.156
2012	2.554	0.265	2.819	-	2.159	1.298	6.276
2011	2.579	0.260	2.839	-	2.062	1.291	6.192
2010	2.596	0.244	2.840	-	1.941	1.246	6.027
2009	2.636	0.230	2.866	-	1.796	1.174	5.836
2008	2.857	0.238	3.095	-	1.690	1.290	6.075
2007	3.098	0.232	3.330	-	1.552	1.192	6.074
2006	2.905	0.225	3.130	-	1.427	1.190	5.747

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

(2) Rates for debt service are based on each year's requirements.

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any growth adjustments.

Source: Municipal Tax Collector

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**

Principal Property Tax Payers  
Current Year and Ten Years Ago  
Unaudited

Taxpayer	2015			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
TGM Village Bridge	\$ 23,600,000	1	3.83%	\$ 10,600,000	2	3%
Siayata Associates	13,725,000	3	2.23%	11,200,000	1	2.75%
Coolidge Stonington Court Associates	15,000,000	2	2.43%			
East Coast Pines at Arborwood, LLC	10,000,000	6	1.62%			
Trent Court	11,350,000	4	1.84%			
Timber Ridge, LLC	11,100,000	5	1.80%	5,200,000	6	1.28%
Heathers Realty, LLC	4,889,500	10	0.79%			
Kingswold Limited Partnership	8,500,000	7	1.38%	4,200,000	7	1.03%
Lindenwold PH, LP	5,000,000	9	0.81%	3,500,000	8	0.86%
Birchwood Quail	7,900,000	8	1.28%			
Fairway Management				8,300,000	3	2.04%
Linden Hill				7,650,000	4	1.88%
Samson Lndenwold Partners				7,500,000	5	1.84%
Lands End				3,300,000	9	0.81%
FNB Real Estate Corp.				2,800,000	10	0.69%
Total	<u>\$ 111,064,500</u>		<u>18.01%</u>	<u>\$ 64,250,000</u>		<u>15.78%</u>

Source: Municipal Tax Assessor

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

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<u>Fiscal Year Ended June 30,</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2016	\$ 12,666,087	\$ 12,666,087	100.00%	-
2015	12,032,325	12,032,325	100.00%	-
2014	11,575,778	11,575,778	100.00%	-
2013	11,392,825	11,392,825	100.00%	-
2012	11,625,662	11,625,662	100.00%	-
2011	12,095,442	12,095,442	100.00%	-
2010	11,683,067	11,683,067	100.00%	-
2009	12,302,145	12,302,145	100.00%	-
2008	14,048,863	14,048,863	100.00%	-
2007	14,574,167	14,574,167	100.00%	-

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

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



## **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.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2016	\$ 9,910,000	-	-	-	-	\$ 9,910,000	1.21%	568	
2015	11,110,000	-	-	-	-	11,110,000	1.42%	638	
2014	13,100,000	-	-	-	-	13,100,000	1.68%	750	
2013	14,255,000	-	-	-	-	14,255,000	1.84%	813	
2012	15,400,000	-	-	-	-	15,400,000	2.09%	876	
2011	16,515,000	-	-	-	-	16,515,000	2.25%	938	
2010	17,570,000	-	-	-	-	17,570,000	2.41%	997	
2009	18,595,000	-	-	-	-	18,595,000	2.64%	1,056	
2008	19,605,000	-	-	-	-	19,605,000	2.88%	1,113	
2007	20,540,000	-	-	-	-	20,540,000	3.16%	1,167	

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

(1) Includes Early Retirement Incentive Plan (ERIP) refunding

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding (1)	Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions			
2016	\$ 9,910,000	-	\$ 9,910,000	1.67%	NA
2015	11,110,000	-	11,110,000	1.87%	NA
2014	13,100,000	-	13,100,000	2.20%	NA
2013	14,255,000	-	14,255,000	2.34%	NA
2012	15,400,000	-	15,400,000	NA	NA
2011	16,515,000	-	16,515,000	3.95%	NA
2010	17,570,000	-	17,570,000	4.19%	NA
2009	18,595,000	-	18,595,000	4.45%	NA
2008	19,605,000	-	19,605,000	4.61%	NA
2007	20,540,000	-	20,540,000	4.79%	NA

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

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2015  
 Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Lindenwold</u>	<u>County Debt Authorized But Not Issued</u>
Municipal Debt: (1)					
Borough of Lindenwold School District	\$ 9,910,000		\$ 9,910,000	\$ 9,910,000	
Borough of Lindenwold	<u>8,592,561</u>	<u>\$ 3,392,476</u>	<u>5,200,085</u>	<u>5,200,085</u>	
	<u>18,502,561</u>	<u>3,392,476</u>	<u>15,110,085</u>	<u>15,110,085</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	35,695,000	12,761,633 (3)	22,933,367	394,454 (5)	\$ 204,000
Loan Agreement	269,003,014		269,003,014	4,626,852 (5)	
Bonds Issued by Other Public Bodies Guaranteed by the County	471,754,632	471,754,632 (4)	-	-	
Lindenwold Borough Fire District (1)					
	<u>776,452,646</u>	<u>484,516,265</u>	<u>291,936,381</u>	<u>5,021,306</u>	<u>204,000</u>
	<u>\$ 794,955,207</u>	<u>\$ 487,908,741</u>	<u>\$ 307,046,466</u>	<u>\$ 20,131,391</u>	<u>\$ 204,000</u>

## Sources:

- (1) 2015 Annual Debt Statement
- (2) County of Camden
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2015 Equalized Value, which is 1.72%.

The source for this computation was the 2014 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Unaudited

**Legal Debt Margin Calculation for Fiscal Year 2016**

	Equalized valuation basis	
	2015	\$ 608,533,076
	2014	617,396,051
	2013	<u>629,542,893</u>
	<b>[A]</b>	<u>\$ 1,855,472,020</u>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 618,490,673
Debt limit (4 % of average equalization value) (1)	<b>[B]</b>	24,739,627
Total Net Debt Applicable to Limit	<b>[C]</b>	<u>9,910,000</u>
Legal Debt Margin	<b>[B-C]</b>	<u>\$ 14,829,627</u>

	Fiscal Year									
	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt limit	\$ 24,739,627	\$ 25,266,412	\$ 26,423,872	\$ 31,177,432	\$ 31,323,502	\$ 31,953,076	\$ 32,898,070	\$ 30,133,854	\$ 27,820,111	\$ 25,097,867
Total net debt applicable to limit	<u>9,910,000</u>	<u>11,110,000</u>	<u>13,100,000</u>	<u>14,255,000</u>	<u>15,400,000</u>	<u>16,515,000</u>	<u>17,570,000</u>	<u>18,605,000</u>	<u>19,605,000</u>	<u>20,540,000</u>
Legal debt margin	<u>\$ 14,829,627</u>	<u>\$ 14,156,412</u>	<u>\$ 13,323,872</u>	<u>\$ 16,922,432</u>	<u>\$ 15,923,502</u>	<u>\$ 15,438,076</u>	<u>\$ 15,328,070</u>	<u>\$ 11,528,854</u>	<u>\$ 8,215,111</u>	<u>\$ 4,557,867</u>
Total net debt as a percentage of debt limit	40.06%	43.97%	49.58%	45.72%	49.16%	51.69%	53.41%	61.74%	70.47%	81.84%

(1) Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

## **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 school 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.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
 Unaudited

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<u>Year</u>	<u>Population</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	17,458	\$ 818,535,788	\$ 46,886	7.1%
2014	17,417	785,106,109	45,077	8.3%
2013	17,472	781,732,224	44,742	10.2%
2012	17,543	773,909,445	44,115	11.1%
2011	17,572	737,900,996	41,993	12.8%
2010	17,613	733,422,933	41,641	11.4%
2009	17,619	728,950,887	41,373	15.3%
2008	17,613	704,625,678	40,006	9.1%
2007	17,611	679,749,378	38,598	7.6%
2006	17,607	650,877,969	36,967	8.6%

**Source:**

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Principal Employers  
Current Year and Ten Years Ago  
Unaudited

<u>Employer</u>	<u>2015</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>
McDonalds	60	3	10.49%	55	3	11%
Advanced Scale Co.	35	5	6.12%	30	10	6.13%
WaWa	80	2	13.99%	-		
Deterdings Market	38	4	6.64%	53	4	10.84%
William Hall	19	8	3.32%	49	5	10.02%
Walgreens	20	6	3.50%	35	9	7.16%
Vacuum Sales	17	9	2.97%	-		
Pufferbelly	-			41	6	8.38%
PATCO Lindenwold Station	266	1	46.50%	-		
Forever Young Learning Center	20	7	3.50%	35	7	7.16%
R.E. Marshal/Tempcon	-			100	1	20.45%
Hillman's Bus Service	-			56	2	11.45%
Prestige Pontiac	-			35	8	7.16%
La Esperanza	17	10	2.97%	-		
	<u>572</u>		<u>100.00%</u>	<u>489</u>		<u>100.00%</u>

**Source:** Individual Employers



## **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.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
 Unaudited

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction										
Regular	168.7	164.1	183.0	205.0	168.5	202.0	202.0	202.0	202.0	202.0
Special education	108.9	100.5	72.5	55.0	85.0	71.5	71.5	71.5	71.5	71.5
Other special education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other instruction	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Nonpublic school programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult/continuing education programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Services:										
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Student & instruction related services	43.6	40.3	48.7	44.0	44.5	51.0	51.0	51.0	51.0	51.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	22.0	21.0	18.0	19.0	19.0	18.0	18.0	18.0	18.0	18.0
Business administrative services	9.0	10.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Plant operations and maintenance	35.8	36.8	29.5	26.0	26.5	26.0	26.0	26.0	26.0	26.0
Pupil transportation	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	12.0	12.0	15.0	0.0	0.0	0.0	0.0	0.0
Special Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Food Service	10.0	9.5	9.5	8.0	0.0	0.0	0.0	0.0	0.0	0.0
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>403.0</b>	<b>387.2</b>	<b>382.2</b>	<b>378.0</b>	<b>367.5</b>	<b>376.5</b>	<b>376.5</b>	<b>376.5</b>	<b>376.5</b>	<b>376.5</b>

**Source:** District Personnel Records

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Pupil/Teacher Ratio</u>			<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle School</u>	<u>High School</u>				
2016	2,734	\$ 44,728,310	\$ 16,360.03	-1.03%	N/A	N/A	N/A	N/A	2,762	2,612	11.96%	94.57%
2015	2,634	42,983,762	16,318.82	-1.28%	N/A	N/A	N/A	N/A	2,639	2,500	7.16%	94.73%
2014	2,473	40,879,124	16,530.18	0.14%	N/A	N/A	N/A	N/A	2,456	2,333	1.74%	94.99%
2013	2,467	40,722,536	16,506.91	-0.08%	N/A	N/A	N/A	N/A	2,419	2,293	7.65%	94.80%
2012	2,457	39,290,591	15,991.29	-8.04%	N/A	N/A	N/A	N/A	2,301	2,198	5.52%	94.42%
2011	2,310	38,162,909	16,520.74	1.22%	N/A	N/A	N/A	N/A	2,241	2,130	4.21%	92.07%
2010	2,288	39,784,822	17,388.47	6.54%	N/A	N/A	N/A	N/A	2,206	2,083	1.91%	92.07%
2009	2,244	36,624,773	16,321.20	-2.82%	N/A	N/A	N/A	N/A	2,220	2,044	-1.87%	92.66%
2008	2,272	38,157,737	16,794.78	5.87%	N/A	N/A	N/A	N/A	2,248	2,083	-1.88%	92.38%
2007	2,340	37,119,929	15,863.22	12.84%	N/A	01:11.2	01:09.1	01:08.8	2,298	2,123	3.81%	91.29%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; J-14
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
School 4 (1956)										
Square Feet	61,584	61,584	61,584	61,584	61,584	61,584	61,584	61,584	61,584	61,584
Capacity (students)	520	520	520	520	520	520	520	520	520	520
Enrollment	629	629	576	584	530	463	457	512	500	478
School 5 (1965)										
Square Feet	53,121	53,121	53,121	53,121	53,121	53,121	53,121	53,121	53,121	53,121
Capacity (students)	538	538	538	538	538	538	538	538	538	538
Enrollment	576	576	609	615	589	615	583	536	489	543
Preschool (1923)										
Square Feet (approx.)	12,000	12,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	450	450	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	139	139	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
School 1 (1926)										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15,130
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	212
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b><u>Middle School</u></b>										
Lindenwold Middle School (1957)										
Square Feet	103,004	103,004	103,004	103,004	103,004	103,004	103,004	103,004	103,004	103,004
Capacity (students)	641	641	641	641	641	641	641	641	641	641
Enrollment	705	705	653	667	668	666	642	619	649	677
<b><u>High School</u></b>										
Lindenwold High School (2001)										
Square Feet	162,675	162,675	162,675	162,675	162,675	162,675	162,675	162,675	162,675	162,675
Capacity (students)	751	751	751	751	751	751	751	751	751	751
Enrollment	532	532	580	601	503	540	556	603	626	633
<b><u>Other</u></b>										
Central Administration (1946)										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,000
Central Administration (2008)										
Square Feet	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944	
Number of Schools at June 30, 2016										
Elementary = 3										
Middle School = 1										
High School = 1										

**Source:** District records, ASSA

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Schedule of Required Maintenance Expenditures by School Facility  
 Last Ten Fiscal Years  
 Unaudited

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

* School Facilities	Project # (s)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
School #1	N/A										
School #4	N/A	\$ 32,893	\$ 60,702	\$ 21,233	\$ 58,669	\$ 74,407	\$ 46,934	\$ 111,617	\$ 162,976	\$ 122,286	\$ 93,020
School #5	N/A	34,092	56,404	25,314	20,957	93,619	46,617	107,825	41,980	90,151	70,942
Middle School	N/A	66,604	100,959	97,920	66,497	78,645	86,846	153,170	119,939	104,286	115,659
High School	N/A	79,518	97,377	74,698	116,171	207,943	198,381	157,241	235,597	110,952	96,491
Other Facilities	N/A	1,923	3,302	2,908	2,735	4,019	4,878	15,420	7,069	11,340	4,698
Total School Facilities		<u>215,030</u>	<u>318,744</u>	<u>222,073</u>	<u>265,029</u>	<u>458,633</u>	<u>383,656</u>	<u>545,273</u>	<u>567,561</u>	<u>439,015</u>	<u>380,810</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 215,030</u>	<u>\$ 318,744</u>	<u>\$ 222,073</u>	<u>\$ 265,029</u>	<u>\$ 458,633</u>	<u>\$ 383,656</u>	<u>\$ 545,273</u>	<u>\$ 567,561</u>	<u>\$ 439,015</u>	<u>\$ 380,810</u>

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

Source: District Records

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**

Insurance Schedule

June 30, 2016

Unaudited

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	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1) - Great American		
Property - blanket building & contents	\$150,000,000	\$500
Boiler and Machinery - Travelers Insurance Co.	\$125,000,000	\$1,000
Crime	\$500,000	\$500
General and Automobile Liability	\$20,000,000	None
Educator's Legal Liability	\$20,000,000	None
Pollution Legal Liability - AIG	\$3,000,000	\$25,000
Cyber Liability - Beazley Ins. Co., Inc.	\$1,000,000	\$25,000
Violent Malicious Acts	\$1,000,000	\$15,000
 Workers' Compensation	 Statutory	
 Surety Bonds - Hartford Insurance Company		
Treasurer	\$230,000	
Board Secretary/Business Administrator	\$100,000	

- (1) List Insurance Company
- (2) List Insurance Company
- (3) Per Claim/Annual Aggregate
- (4) Each Accident

Source: District Records

**SINGLE AUDIT SECTION**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Lindenwold School District  
County of Camden

***Report on Compliance for Each Major Federal and State Program***

We have audited the Borough of Lindenwold School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2016. The School District'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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District'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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 Borough of Lindenwold School District's, in the County of Camden, State of New Jersey, 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 School District's compliance.



**Opinion on Each Major Federal and State Program**

In our opinion, the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

**Report on Internal Control Over Compliance**

Management of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, 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 School District'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 the Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 School District'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 the Uniform Guidance and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

*Bowman + Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Glen J. Walton*

Glen J. Walton  
Certified Public Accountant  
Public School Accountant  
No. 20CS00205000

Voorhees, New Jersey  
November 18, 2016

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2016

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Pass-through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2015	Unearned Revenue
					From	To		
<b>General Fund:</b>								
U.S. Department of Education Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	\$ 160,056	7-1-2015	6-30-2016		
<b>Total General Fund</b>							-	-
<b>Special Revenue Fund:</b>								
U.S. Department of Education Passed-through State Department of Education: N.C.L.B.:								
Title I, Part A Carryover	84.010A	S010A150030	NCLB267015	1,600,669	7-1-2014	6-30-2015	\$ (185,989)	
Title I, Part A	84.010A	S010A150030	NCLB267016	1,581,869	7-1-2015	6-30-2016		
<b>Total Title I, Part A</b>							(185,989)	-
Title II, Part A Carryover	84.367	S367A150029	NCLB267015	83,840	7-1-2014	6-30-2015	(8,779)	
Title II, Part A	84.367	S367A150029	NCLB267016	81,401	7-1-2015	6-30-2016		
<b>Total Title II, Part A</b>							(8,779)	-
Title III Carryover	84.365A	S365A150030	NCLB267015	130,180	7-1-2014	6-30-2015	(63,086)	
Title III	84.365A	S365A150030	NCLB267016	160,692	7-1-2015	6-30-2016		
<b>Total Title III</b>							(63,086)	-
Title III Immigrant Carryover	84.365	S365A150030	NCLB267015	8,805	7-1-2014	6-30-2015	(648)	
Title III Immigrant	84.365	S365A150030	NCLB267016	28,261	7-1-2015	6-30-2016		
<b>Total Title III Immigrant</b>							(648)	-
<b>I.D.E.A. Part B:</b>								
Special Education Cluster:								
Basic Regular Carryover	84.027	H027A150100	IDEA267015	615,218	7-1-2014	6-30-2015	(27,895)	
Basic Regular	84.027	H027A150100	IDEA267016	675,465	7-1-2015	6-30-2016		
Preschool Carryover	84.027	H173A150114	IDEA267015	20,962	7-1-2014	6-30-2015	(1,972)	
Preschool	84.027	H173A150114	IDEA267016	21,854	7-1-2015	6-30-2016		
<b>Total I.D.E.A. Part B Special Education Cluster</b>							(29,867)	-
Preschool Expansion Grant	84.419B	S419B150020	15-100-034-5069- 031-H350-D005	776,869	1-1-2015	12-31-2016	(182,836)	
<b>Total Special Revenue Fund</b>							(470,557)	-
<b>Enterprise Fund:</b>								
U.S. Department of Agriculture Passed-through State Department of Education: Child Nutrition Cluster:								
National School Lunch Program	10.555	16161NJ304N1099	N/A	889,300	7-1-2014	6-30-2015	(68,495)	
National School Lunch Program	10.555	16161NJ304N1099	N/A	964,271	7-1-2015	6-30-2016		
Healthy Hunger Free Kids Act	10.555	16161NJ304N1099	N/A	20,864	7-1-2014	6-30-2015	(1,588)	
Healthy Hunger Free Kids Act	10.555	16161NJ304N1099	N/A	21,791	7-1-2015	6-30-2016		
School Breakfast Program	10.553	16161NJ304N1099	N/A	330,664	7-1-2014	6-30-2015	(26,291)	
School Breakfast Program	10.553	16161NJ304N1099	N/A	336,916	7-1-2015	6-30-2016		
Summer Feeding Program	10.553	16161NJ304N1099	N/A	9,647	7-1-2015	6-30-2016		
Fresh Fruits and Vegetable Program	10.582	16161NJ304N1099	N/A	42,026	7-1-2015	6-30-2016		
Food Distribution Program	10.555	16161NJ304N1099	N/A	109,220	7-1-2015	6-30-2016		
<b>Total Child Nutrition Cluster</b>							(96,374)	-
<b>Total Enterprise Fund</b>							(96,374)	-
<b>Total Federal Financial Assistance</b>							\$ (566,931)	\$ -

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Cash Received	Budgetary Expenditures			Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2016		
	Pass-through Funds	Direct Funds	Total Budgetary Expenditures			(Accounts Receivable)	Unearned Revenue	Due to Grantor at June 30, 2016
\$ 160,056	\$ 160,056		\$ 160,056					
160,056	160,056	-	160,056	-	-	-	-	-
185,989								
1,357,803	1,506,770		1,506,770			\$ (148,967)		
1,543,792	1,506,770	-	1,506,770	-	-	(148,967)	-	-
8,779								
81,401	81,401		81,401					
90,180	81,401	-	81,401	-	-	-	-	-
63,086								
110,119	141,804		141,804			(31,685)		
173,205	141,804	-	141,804	-	-	(31,685)	-	-
648								
21,395	28,261		28,261			(6,866)		
22,043	28,261	-	28,261	-	-	(6,866)	-	-
27,895								
675,465	675,465		675,465			-		
1,972						-		
21,854	21,854		21,854			-		
727,186	697,319	-	697,319	-	-	-	-	-
687,551	535,528		535,528			(30,813)		
3,243,309	2,991,083	-	2,991,083	-	-	(218,331)	-	-
68,495								
895,724	964,271		964,271			(68,547)		
1,588								
20,253	21,791		21,791			(1,538)		
26,291								
311,178	336,916		336,916			(25,738)		
9,647	9,647		9,647					
31,197	42,026		42,026			(10,829)		
109,220	109,220		109,220					
1,473,593	1,483,871	-	1,483,871	-	-	(106,652)	-	-
1,473,593	1,483,871	-	1,483,871	-	-	(106,652)	-	-
\$ 4,876,958	\$ 4,635,010	\$ -	\$ 4,635,010	\$ -	\$ -	\$ (324,983)	\$ -	\$ -

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Schedule of Expenditures of State Awards, Schedule B  
 For the Fiscal Year Ended June 30, 2016

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2015	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
<b>General Fund:</b>							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	15-495-034-5120-078	22,176,686		7-1-2014	6-30-2015	\$ (2,150,027)	
Equalization Aid	16-495-034-5120-078	22,176,686		7-1-2015	6-30-2016		
School Choice	15-495-034-5120-068	323,730		7-1-2014	6-30-2015	(32,373)	
School Choice	16-495-034-5120-068	323,730		7-1-2015	6-30-2016		
Security Aid	15-495-034-5120-084	403,357		7-1-2014	6-30-2015	(40,336)	
Security Aid	16-495-034-5120-084	403,357		7-1-2015	6-30-2016		
Special Education Aid	15-495-034-5120-089	1,270,618		7-1-2014	6-30-2015	(127,062)	
Special Education Aid	16-495-034-5120-089	1,270,618		7-1-2015	6-30-2016		
Under Adequacy Aid	15-495-034-5120-096	179,546		7-1-2014	6-30-2015	(17,955)	
Under Adequacy Aid	16-495-034-5120-096	179,546		7-1-2015	6-30-2016		
PARCC Readiness Aid	15-495-034-5120-098	24,300		7-1-2014	6-30-2015	(2,430)	
PARCC Readiness Aid	16-495-034-5120-098	24,300		7-1-2015	6-30-2016		
Per Pupil Growth Aid	15-495-034-5120-097	24,300		7-1-2014	6-30-2015	(2,430)	
Per Pupil Growth Aid	16-495-034-5120-097	24,300		7-1-2015	6-30-2016		
Total State Aid - Public Cluster						<u>(2,372,613)</u>	<u>-</u>
State Aid - Transportation:							
Transportation Aid	15-495-034-5120-014	143,769		7-1-2014	6-30-2015	(14,377)	
Transportation Aid	16-495-034-5120-014	143,769		7-1-2015	6-30-2016		
Nonpublic Transportation Aid	15-495-034-5120-014	16,008		7-1-2014	6-30-2015	(16,008)	
Nonpublic Transportation Aid	16-495-034-5120-014	14,476		7-1-2015	6-30-2016		
Total State Aid - Transportation						<u>(30,385)</u>	<u>-</u>
Extraordinary Special Education Aid Costs							
Extraordinary Special Education Aid Costs	15-100-034-5120-474	98,433		7-1-2014	6-30-2015	(98,433)	
Extraordinary Special Education Aid Costs	16-100-034-5120-474	138,860		7-1-2015	6-30-2016		
Total Extraordinary Aid						<u>(98,433)</u>	<u>-</u>
Reimbursed T.P.A.F. Social Security							
Reimbursed T.P.A.F. Social Security	15-495-034-5095-002	1,243,551		7-1-2014	6-30-2015	(61,507)	
Reimbursed T.P.A.F. Social Security	16-495-034-5095-002	1,258,511		7-1-2015	6-30-2016		
Total Reimbursed T.P.A.F. Social Security						<u>(61,507)</u>	<u>-</u>
Total General Fund						<u>(2,562,938)</u>	<u>-</u>
<b>Special Revenue Fund:</b>							
New Jersey Department of Education							
Preschool Education Aid	15-495-034-5120-086	873,740	\$ 323,266	7-1-2014	6-30-2015	67,177	
Preschool Education Aid	16-495-034-5120-086	1,183,420	589,358	7-1-2015	6-30-2016		
Total Preschool Education Aid						<u>67,177</u>	<u>-</u>
Total Special Revenue Fund						<u>67,177</u>	<u>-</u>
<b>Capital Projects Fund:</b>							
New Jersey Department of Education							
SDA Grant	2670-090-13-3002	677,166	320,352	4-11-2014	Completion	45,354	
SDA Grant	2670-090-13-3003	353,935	143,732	4-11-2014	Completion	(4,557)	
SDA Grant	2670-090-14-1006	2,844,744	1,681,094	7-14-2014	Completion	696,128	
Total Capital Projects Fund						<u>736,925</u>	<u>-</u>
<b>Debt Service Fund:</b>							
New Jersey Department of Education							
Debt Service Aid Type II	16-495-034-5120-075	632,611		7-1-2015	6-30-2016		
<b>Enterprise Fund:</b>							
New Jersey Department of Agriculture							
Child Nutrition Cluster							
National School Lunch Program (State Share)	15-100-010-3360-067	19,314		7-1-2014	6-30-2015	(1,398)	
National School Lunch Program (State Share)	16-100-010-3360-067	19,722		7-1-2015	6-30-2016		
Total Enterprise Fund						<u>(1,398)</u>	<u>-</u>
Total State Financial Assistance subject to Major Program Determination for State Single Audit						<u>(1,760,234)</u>	<u>-</u>
Total State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf T.P.A.F. Pension Contributions - Normal Cost	16-495-034-5094-002	1,229,934		7-1-2015	6-30-2016		
On-behalf T.P.A.F. Pension Contributions - Non-Contributory Insurance	16-495-034-5094-004	61,267		7-1-2015	6-30-2016		
On-behalf T.P.A.F. Pension Contributions - Post Retirement Medical	16-495-034-5094-001	1,537,464		7-1-2015	6-30-2016		
Total General Fund (Non-Cash Assistance)						<u>-</u>	<u>-</u>
Total State Financial Assistance						<u>\$ (1,760,234)</u>	<u>\$ -</u>

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Passed Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016			Memo	
						Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable 6/30/2016	Cumulative Total Expenditures
	\$ 2,150,027									
	20,025,776	\$ 22,176,686				\$ (2,150,910)			\$ (2,150,910)	\$ 22,176,686
	32,373								-	-
	291,357	323,730				(32,373)			(32,373)	323,730
	40,336								-	-
	363,021	403,357				(40,336)			(40,336)	403,357
	127,062								-	-
	1,143,556	1,270,618				(127,062)			(127,062)	1,270,618
	17,955								-	-
	161,591	179,546				(17,955)			(17,955)	179,546
	2,430								-	-
	21,870	24,300				(2,430)			(2,430)	24,300
	2,430								-	-
	21,870	24,300				(2,430)			(2,430)	24,300
-	24,401,654	24,402,537	-	-	-	(2,373,496)	-	-	(2,373,496)	24,402,537
	14,377								-	-
	129,392	143,769				(14,377)			(14,377)	143,769
	16,008								-	-
		14,476				(14,476)			(14,476)	14,476
-	159,777	158,245	-	-	-	(28,853)	-	-	(28,853)	158,245
	98,433								-	-
		138,860				(138,860)			-	138,860
-	98,433	138,860	-	-	-	(138,860)	-	-	-	138,860
	61,507								-	-
	1,258,511	1,258,511							-	1,258,511
-	1,320,018	1,258,511	-	-	-	-	-	-	-	1,258,511
-	25,979,882	25,958,153	-	-	-	(2,541,209)	-	-	(2,402,349)	25,958,153
	99,540	166,717							-	166,717
	1,654,436	1,623,739				(118,342)	\$ 149,039		(118,342)	1,623,739
-	1,753,976	1,790,456	-	-	-	(118,342)	149,039	-	(118,342)	1,790,456
-	1,753,976	1,790,456	-	-	-	(118,342)	149,039	-	(118,342)	1,790,456
		349,375					45,354		-	231,942
		3,399,890				(353,932)	-		(353,932)	397,187
		3,749,265				(2,844,744)	140,982		(2,844,744)	3,413,013
-	-	3,749,265	-	-	-	(3,198,676)	186,336	-	(3,198,676)	4,042,142
	632,611	632,611								632,611
	1,398								-	-
	18,366	19,722				(1,356)			-	-
-	19,764	19,722	-	-	-	(1,356)	-	-	-	-
-	28,386,233	32,150,207	-	-	-	(5,859,583)	335,375	-	(5,719,367)	32,423,362
	1,229,934	1,229,934								
	61,267	61,267								
	1,537,464	1,537,464								
-	2,828,665	2,828,665	-	-	-	-	-	-	-	-
\$ -	\$ 31,214,898	\$ 34,978,872	\$ -	\$ -	\$ -	\$ (5,859,583)	\$ 335,375	\$ -	\$ (5,719,367)	\$ 32,423,362

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2016

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Borough of Lindenwold School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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, are included on the schedules of expenditures of federal awards and state financial assistance. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following, as applicable, the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund and capital projects 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 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 June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2. The capital projects fund is presented in the accompanying schedules on the modified accrual basis of accounting.

**Notes to the Schedules of Expenditures of Federal Awards  
and State Financial Assistance (Cont'd)**

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$(883) for the general fund and \$182,595 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 160,056	\$ 25,957,270	\$ 26,117,326
Special Revenue	3,175,493	1,788,641	4,964,134
Capital Projects		3,749,265	3,749,265
Debt Service		632,611	632,611
Food Service	1,483,871	19,722	1,503,593
Total Awards and Financial Assistance	<u>\$ 4,819,420</u>	<u>\$ 32,147,509</u>	<u>\$ 36,966,929</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2014-2015.

**Note 7: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2016, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, and post-retirement medical costs related to TPAF members.

**Note 8: MAJOR PROGRAMS**

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? yes x no
Significant deficiency(ies) identified? yes x none reported
Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes x no
Significant deficiency(ies) identified? yes x none reported
Type of auditor's report issued on compliance for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes x no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Includes entries for 84.010A (S010A150030, Title I, Part A) and 84.419B (S419B150020, Preschool Development Grant).

Dollar threshold used to determine Type A programs \$ 750,000
Auditee qualified as low-risk auditee? x yes no



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2016

**Section 1- Summary of Auditor's Results (Cont'd)**

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? \_\_\_\_\_ yes  no

Identification of major programs:

**GMIS Number(s)**

\_\_\_\_\_

16-495-034-5120-078

16-495-034-5120-089

16-495-034-5120-084

16-495-034-5120-068

16-495-034-5120-096

16-495-034-5120-098

16-495-034-5120-097

\_\_\_\_\_

\_\_\_\_\_

**Name of State Program**

**State Aid Public:**

Equalization Aid

Special Education Categorical Aid

Security Aid

School Choice Aid

Under Adequacy Aid

PARCC Readiness Aid

Per Pupil Growth Aid

\_\_\_\_\_

\_\_\_\_\_

Dollar threshold used to determine Type A programs \$ 964,506

Auditee qualified as low-risk auditee?  yes \_\_\_\_\_ no

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No current year findings.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

No current year findings.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

No current year findings.

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

No prior year findings.

**FEDERAL AWARDS**

No prior year findings.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

No prior year findings.

