

BOROUGH OF LINDENWOLD

SCHOOL DISTRICT

LINDENWOLD, NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Table of Contents

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	8
Roster of Officials	9
Consultants and Advisors	10
FINANCIAL SECTION	
Independent Auditor's Report	12
Required Supplementary Information - Part I Management's Discussion and Analysis	18
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	27
A-2 Statement of Activities	28
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	30
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	31
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Proprietary Funds:	
B-4 Statement of Net Position	33
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	36
B-8 Statement of Changes in Fiduciary Net Position	37
Notes to the Financial Statements	38
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	74
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	84
C-3 Notes to Required Supplementary Information - Part II Budget-to-GAAP Reconciliation	85

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability – PERS	89
L-2 Schedule of the School District's Contributions – PERS	90
L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF	91
L-4 Schedule of the School District's Contributions – TPAF	92
L-5 Notes to the Required Supplementary Information - Part III	93
Required Supplementary Information - Part IV	
M. Schedules Related to Accounting and Reporting for OPEB	
M-1 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	95
M-2 Notes to the Required Supplementary Information - Part IV	96
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	99
E-2 Schedule of Preschool Education Aid Expenditures - Budgetary Basis	101
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status	N/A
F-2b Statement of Project Revenues, Expenditures, Project Balance and Project Status	N/A

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Other Supplementary Information (Cont'd)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Statement of Net Position	103
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	104
G-3 Statement of Cash Flows	105
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	107
H-2 Combining Statement of Changes in Fiduciary Net Position	108
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	109
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	110
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	112
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	113

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	116
J-2 Changes in Net Position	117
J-3 Fund Balances - Governmental Funds	120
J-4 Changes in Fund Balances - Governmental Funds	121
J-5 General Fund Other Local Revenue by Source	122

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	124
J-7 Direct and Overlapping Property Tax Rates	125
J-8 Principal Property Taxpayers	126
J-9 Property Tax Levies and Collections	127

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	129
J-11 Ratios of General Bonded Debt Outstanding	130
J-12 Direct and Overlapping Governmental Activities Debt	131
J-13 Legal Debt Margin Information	132

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
STATISTICAL SECTION (Unaudited) (Cont'd)	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	134
J-15 Principal Employers	135
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	137
J-17 Operating Statistics	138
J-18 School Building Information	139
J-19 Schedule of Required Maintenance Expenditures by School Facility	140
J-20 Insurance Schedule	141
SINGLE AUDIT SECTION	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	15
K-2 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	143
K-3 Schedule of Expenditures of Federal Awards, Schedule A	145
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	147
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	149
Schedule of Findings and Questioned Costs:	
K-6 Summary of Auditor's Results	151
K-7 Schedule of Current Year Findings	153
K-8 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	155

INTRODUCTORY SECTION



LINDENWOLD PUBLIC SCHOOLS

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

February 6, 2019

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, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures 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 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 questioned costs, 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 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 2017-2018 fiscal year with an enrollment of two-thousand, seven hundred forty-eight (2,748) 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>
2017-18	2748	10	.04
2016-17	2738	(29)	(1.1)
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)

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 - 12th):

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 focused on developing and implementing quality, up-to-date curricula in all subjects. With all curricula, we ensure alignment to the New Jersey Student Learning Standards (NJSLs). We also seek to develop curricular experiences that prepare our students for the rigor of the NJSLs assessments.

We are currently up to date in all areas of curriculum completion for QSAC. We are now in the process of refining curriculum documents to better align them to specific resources, instructional practices, and common assessments. In particular, in ELA and math, we have made use of the NJDOE's model curriculum framework 2.0 as we re-align our documents to the NJSLs. We are in the process of making these documents as specifically aligned to our core resources—as well as vetted and approved open-source resources—as possible.

Assessment: How Do We Know Students Have Learned?

In tandem with our curriculum, we continually create and refine benchmark and classroom assessments aligned to the rigor and expectations of current standards in each discipline. We have adopted the NJDOE model assessments as our guidance in math and ELA, and are in the process of aligning our assessments, curriculum, core program materials, and data practices in social studies and science.

Beyond our benchmarks we have worked to base our classroom assessments on high-leverage items with constructed responses, opportunities for critical thinking, and application to real-world situations. As part of this revision we have worked to create common assessments in all areas. We continue the process of improving our work of data collection, analysis, and action-planning at all levels. In previous years we have formed data teams that have created item- and standard-analysis templates that teachers will use to determine patterns of individual, grade, department, and school mastery of standards; as we increase our distributed capacity to do this work across all grades and departments, *all* teachers participate in this work.

We are also looking to innovate in the area of assessment of 21st century skills. Our middle school and high school feature teams of teachers who are 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 21st century skills as defined by the Partnership for 21st Century Skills. These teachers have largely found success with their new grading system, and our tentative intention is to use the system school-wide in the middle school beginning in the 2018-19 year; the high school has begun to use this approach school wide in this year. Our Assessment and Grading Committee consists of administrators and teachers, and serves to advise, periodically and as needed, on assessment and grading policy processes.

Instruction: How Do We Teach So that Students Learn?

As we 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 uses 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 continue to place our foremost focus on the foundational skills of literacy and math. This year we have opened new conversations about how to best implement a Balanced Literacy approach through 4 instructional modes: on-reading-level, small group (“guided reading”); on-grade-level, whole or smaller group (“shared reading”), independent reading (“reader’s workshop”); and intervention. In particular this year, we are growing our ability to deliver unified best practices in shared reading and reader’s workshop/independent reading. Our introduction of the core resource Fountas and Pinell Classroom has underpinned this work. In addition we have worked extensively to lead teachers through peer-observational learning labs in ELA.

At the high school level, we continue to use a literacy-across-the-curriculum model, and work to ensure that all teachers have the necessary skills to implement the NJSLA ELA standards.

In math we continue the work of prioritizing our benchmarks and data analysis procedures to inform reflective discussions on how to improve instruction and target work by standard. Through our participation in the South Jersey Math Ambassadors Project (SJMAP), we have provided opportunities for participants to share their learning with colleagues through mini-professional development sessions, peer coaching and observation, and discussion of best practices with leaders at the math articulation committee level. This year we will begin working with the Ongoing Assessment Project (OGAP) and the University of Pennsylvania in order to develop our teachers in their math expertise and ability to understand students’ development acquisition of math skills.

Our ESL classes are undergoing significant instructional improvements through the development of curricular scaffolds for our standard curricula. These scaffolds, developed with advisement from NJDOE representatives and using NJDOE resources, will help our teachers understand ELL student needs and develop relevant instructional strategies to meet these students at their WIDA level. We have also begun practice regular teacher observation-driven learning labs. These sessions will be designed to help high school teachers plan content-specific lessons in ways that draw on Sheltered Instruction in English to meet the needs of ELLs.

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

Previous sub-sections in this section outlined specific professional development efforts in ELA and math. In addition to those, several initiatives address professional development needs in other areas. We are in the process of using Title IV funds to develop our capacity for trauma-informed best practices. In our ongoing efforts to improve the climate and culture of all schools—in particular our middle school and high school—we are pursuing various ideas for professional learning in de-escalation, cultural responsiveness, and organized, student-directed positive climate and culture activities.

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. 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 assignments of fund balance at June 30, 2018.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR -END: As demonstrated by the various statements and schedules included in the financial 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, 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 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.

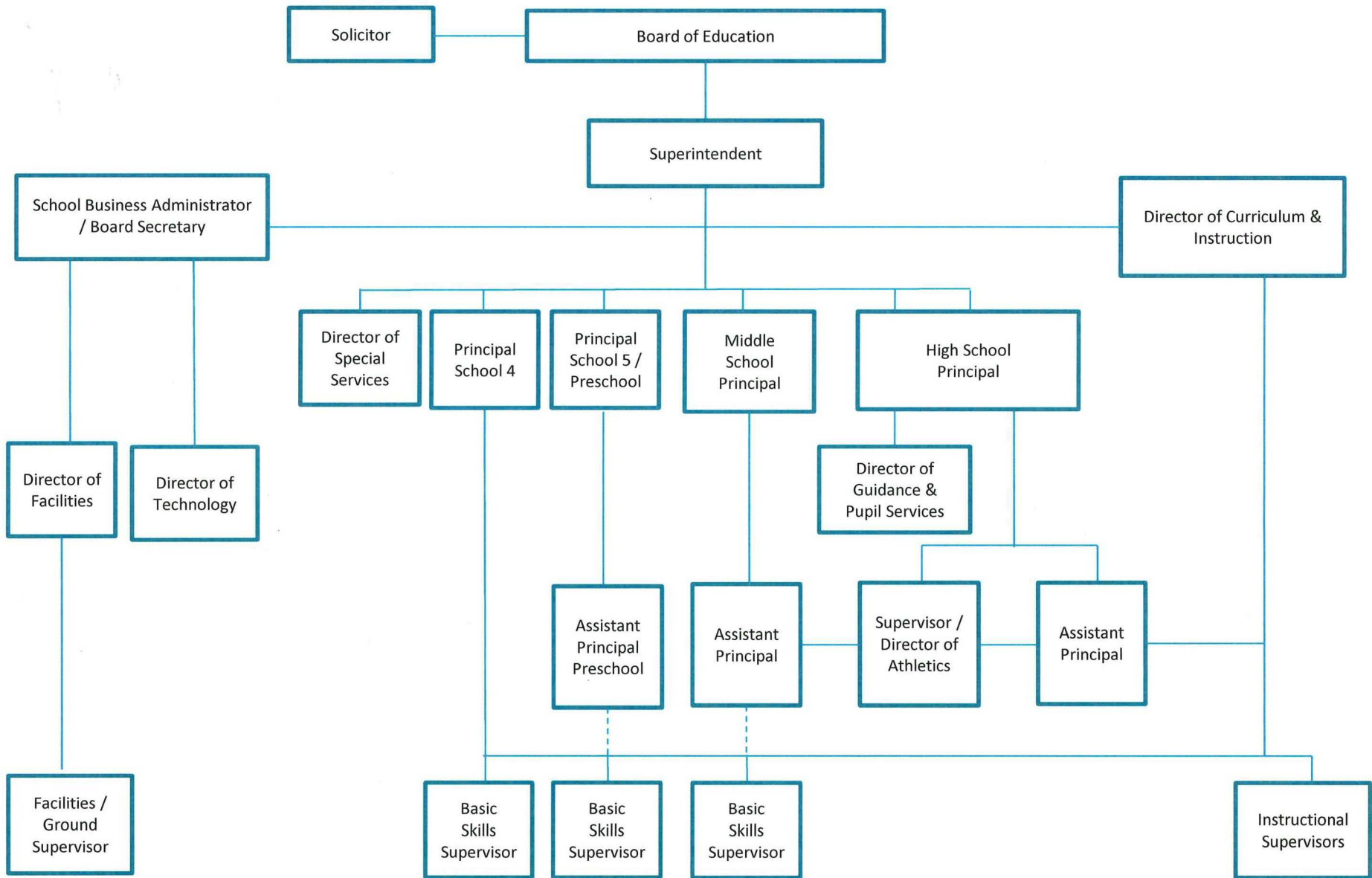
Respectfully submitted,



Lori L. Moore, Ed. D.
Superintendent



Kathleen Huder
Board Secretary/School Business
Administrator



BOROUGH OF LINDENWOLD SCHOOL DISTRICT
LINDENWOLD, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2018

Members of the Board of Education

Term
Expires

Cathy Ann Moncrief, President	2019
Kevin W. McGahey, Vice President	2019
Pam Bragg	2020
Jo-Ann Engels	2018
Alethia Gibbs-Smith	2020
Rita A. Heins	2018
Marsha Hershman	2018
Cortney Richardson	2019
Eileen Russell	2018

Other Officials

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

LINDENWOLD, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2018

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

OFFICIAL DEPOSITORY

Republic Bank
50 South 16th 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, 2018, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of June 30, 2018, 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.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. The related disclosures for the implementation of this new accounting pronouncement are included in Note 11 in the notes to financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, 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*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

27400

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 February 6, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Lindenwold School District's 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
Certified Public Accountants
& Consultants



Glen J. Walton
Certified Public Accountant
Public School Accountant
No. 20CS0020500

Voorhees, New Jersey
February 6, 2019

**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, 2018, 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 February 6, 2019. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of new accounting principles.

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
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Glen J. Walton

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Certified Public Accountant
Public School Accountant
No. 20CS0020500

Voorhees, New Jersey
February 6, 2019

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

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, 2018 and 2017. 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 2018:

- During the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The notes to the financial statements provide a more thorough discussion of the implementation of this GASB Statement and the effects to the financial statements.
- The assets of the Borough of Lindenwold School District exceeded its liabilities at the close of the most recent fiscal year by \$9,888,875 (net position).
- The School District's total net position increased by \$1,108,155. 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 \$3,266,248, an increase of \$81,055 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 \$1,711,026, which is an increase in deficit of \$83,748 in comparison with the prior year.
- The Borough of Lindenwold School District's total debt decreased by \$1,130,000 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.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

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.

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, 2018
(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 2018 and 2017.

TABLE 1				
Net Position				
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 4,984,921	\$ 4,603,467	\$ 381,454	8.29%
Capital Assets	25,549,040	25,504,853	44,187	0.17%
Total Assets	30,533,961	30,108,320	425,641	1.41%
Deferred Outflows of Resources:				
Related to Pensions	3,352,153	4,090,454	(738,301)	100.00%
Liabilities:				
Long-Term Liabilities	18,679,529	22,414,733	(3,735,204)	-16.66%
Other Liabilities	3,041,088	2,878,590	162,498	5.65%
Total Liabilities	21,720,617	25,293,323	(3,572,706)	-14.13%
Deferred Inflow of Resources - Related to Pensions	2,276,622	124,731	2,151,891	100.00%
Net Position:				
Net Investment in Capital Assets	17,194,150	15,916,688	1,277,462	8.03%
Restricted	4,575,220	3,733,814	841,406	22.53%
Unrestricted (Deficit)	(11,880,495)	(10,869,782)	(1,010,713)	9.30%
Total Net Position	\$ 9,888,875	\$ 8,780,720	\$ 1,108,155	12.62%

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

TABLE 2				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 3,352,153	\$ 4,090,454	\$ (738,301)	100.00%
Less: Net Pension Liability	(10,901,126)	(13,385,999)	2,484,873	-18.56%
Less: Deferred Inflows Related to Pensions	(2,276,622)	(124,731)	(2,151,891)	-100.00%
	\$ (9,825,595)	\$ (9,420,276)	\$ (405,319)	4.30%

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2018 and 2017.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 858,361	\$ 1,136,095	\$ (277,734)	-24.45%
Operating Grants and Contributions	15,582,536	19,805,424	(4,222,888)	-21.32%
General Revenues:				
Property Taxes	13,951,962	13,630,676	321,286	2.36%
Grants and Contributions	32,158,664	30,576,538	1,582,126	5.17%
Other	45,581	60,681	(15,100)	-24.88%
Total Revenues	<u>62,597,104</u>	<u>65,209,414</u>	<u>(2,612,310)</u>	<u>-4.01%</u>
Expenses:				
Instruction:				
Regular	12,034,261	11,050,899	983,362	8.90%
Special Education	3,666,716	3,588,950	77,766	2.17%
Other Special Instruction	3,655,361	3,358,450	296,911	8.84%
Student Services:				
Tuition	2,499,250	2,889,140	(389,890)	-13.50%
Student and Instruction Related	5,358,642	5,173,429	185,213	3.58%
General Administrative Services	565,254	594,395	(29,141)	-4.90%
School Administrative Services	1,714,766	1,772,684	(57,918)	-3.27%
Central Services	431,976	482,886	(50,910)	-10.54%
Administrative Information Technology	209,198	295,743	(86,545)	-29.26%
Plant Operations and Maintenance	3,309,311	3,445,377	(136,066)	-3.95%
Pupil Transportation	2,129,484	2,218,096	(88,612)	-3.99%
Special Schools	490,541	475,397	15,144	3.19%
Unallocated Benefits	23,435,443	27,593,907	(4,158,464)	-15.07%
Interest on Long-Term Debt	265,466	300,619	(35,153)	-11.69%
Food Service	1,723,280	1,675,577	47,703	2.85%
Total Expenses	<u>61,488,949</u>	<u>64,915,549</u>	<u>(3,426,600)</u>	<u>-5.28%</u>
Increase (Decrease) in Net Position	<u>1,108,155</u>	<u>293,865</u>	<u>814,290</u>	<u>277.10%</u>
Beginning Net Position	<u>8,780,720</u>	<u>8,486,855</u>	<u>293,865</u>	<u>3.46%</u>
Ending Net Position	<u>\$ 9,888,875</u>	<u>\$ 8,780,720</u>	<u>\$ 1,108,155</u>	<u>12.62%</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited) (Cont'd)

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

Governmental Activities

In 2017-2018, Governmental Activities Revenues were \$60,769,457 or 96.86% of total revenues.

In 2016-2017, Governmental Activities Revenues were \$63,405,845 or 97.23% of total revenues.

The \$2,636,388 decrease in Governmental Activities Revenues from FY 2016-2017 to FY 2017-2018 was mainly related to the implementation of GASB 75.

In 2017-2018, General Revenues - Property Taxes of \$13,951,962 made up 22.96%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$32,158,664 made up 52.92% of Governmental Activities Revenues.

In 2016-2017, General Revenues - Property Taxes of \$13,630,676 made up 23.90%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$38,214,850 made up 66.99% of Governmental Activities Revenues.

In 2017-2018, the School District's Governmental Activities expenditures decreased by \$3,474,303 or 5.49% from 2016-2017. This decrease was related to Unallocated Benefits due to the GASB 75 OPEB Expense decreasing \$2,057,404 from 2016-2017.

Business-Type Activities

In 2017-2018 Business-Type Activities Revenues were \$1,827,647 or 2.92% of total revenues. In 2016-2017 Business-Type Activities Revenues were \$1,803,569 or 3.06% of total revenues.

Charges for Services for Business-Type Activities were \$156,201 in 2017-2018 compared to \$150,704 in 2016-2017, a 3.65% increase.

Operating Grants and Contributions for Business-Type Activities were \$1,669,919 in 2017-2018 compared to \$1,652,076 in 2016-2017, a 1.08% increase.

Expenses for Business-Type Activities were \$1,723,280 in 2017-2018 compared to \$1,675,577 in 2016-2017, a 2.85% increase.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$39,738,047, which was greater than the original budget.

The 2017-2018 General Fund Tax Levy was \$13,115,644, an increase of \$328,756 or 2.57% from the 2016-2017 General Fund Tax Levy of \$12,786,888.

During fiscal year 2018, the School District budgeted \$13,115,644 for property taxes (local tax levy) and \$25,657,429 for state aid revenues.

The School District also received \$1,325,468 and \$4,274,260 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-Term Disability Insurance and Pension Contributions, respectively. The Borough of Lindenwold School District's expenditures also include the reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-Term Disability Insurance and Pension Contributions of \$1,325,468 and \$4,274,260 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2018
 (Unaudited) (Cont'd)

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

General Fund Budgeting Highlights (cont'd)

The final budgetary basis expenditure appropriation estimate was \$41,491,785, which was greater than the original budget.

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 \$3,266,248, an increase of \$81,055 in comparison with the prior year.

Of the combined ending fund balances of \$3,266,248, \$1,829,368 constitutes unassigned fund balance deficits. The remainder of fund balance of \$5,095,616 is restricted or assigned for various purposes.

Proprietary Fund - As of the end of the current fiscal year, the School District's proprietary fund had \$494,247 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, 2018 amounts to \$25,549,040 (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 8.03%. The net increase was the result of the net effect of the 2018 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, 2018</u>	<u>June 30, 2017</u>
Land	\$ 1,998,297	\$ 1,998,297
Construction in Progress	75,458	134,798
Site Improvements	2,182,280	1,650,692
Building and Improvements	19,410,888	19,939,720
Equipment	<u>1,882,117</u>	<u>1,781,346</u>
 Total Capital Assets	 <u>\$ 25,549,040</u>	 <u>\$ 25,504,853</u>

Depreciation expense was \$1,319,225 for fiscal year ended 2018 and \$1,307,450 for fiscal year ended 2017.

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 \$7,675,000. The entire Borough of Lindenwold School District's bonded debt is governmental as opposed to business-type. The 2018 adopted budget has an appropriation of \$1,130,000 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, 2018
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2017-18 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 22.96% of total revenue is from local tax levy and 52.92% 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, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 385,806	\$ 384,095	\$ 769,901
Receivables, net	822,716	121,927	944,643
Internal Balances	210	(210)	-
Inventory		16,159	16,159
Restricted Assets:			
Restricted Cash and Cash Equivalents	311,826		311,826
Capital Reserve Account - Cash	2,942,392		2,942,392
Capital Assets, net (Note 7)	<u>25,149,086</u>	<u>399,954</u>	<u>25,549,040</u>
Total Assets	<u>29,612,036</u>	<u>921,925</u>	<u>30,533,961</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 10)	<u>3,352,153</u>		<u>3,352,153</u>
Accounts Payable	1,428,597	27,724	1,456,321
Unearned Revenue	205,515		205,515
Accrued Interest Payable	26,743		26,743
Noncurrent Liabilities (Note 8):			
Due within One Year	1,352,509		1,352,509
Due beyond One Year	<u>18,679,529</u>		<u>18,679,529</u>
Total Liabilities	<u>21,692,893</u>	<u>27,724</u>	<u>21,720,617</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 10)	<u>2,276,622</u>		<u>2,276,622</u>
NET POSITION:			
Net Investment in Capital Assets	16,794,196	399,954	17,194,150
Restricted for:			
Debt Service	1		1
Other Purposes	4,575,219		4,575,219
Unrestricted (Deficit)	<u>(12,374,742)</u>	<u>494,247</u>	<u>(11,880,495)</u>
Total Net Position	<u>\$ 8,994,674</u>	<u>\$ 894,201</u>	<u>\$ 9,888,875</u>

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, 2018

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
Governmental Activities:						
Instruction:						
Regular	\$ 12,034,261		\$ 841,541	\$ (11,192,720)		\$ (11,192,720)
Special Education	3,666,716	\$ 702,160		(2,964,556)		(2,964,556)
Other Special Instruction	3,655,361		874,174	(2,781,187)		(2,781,187)
Support Services:						
Tuition	2,499,250		698,395	(1,800,855)		(1,800,855)
Student and Instruction Related Services	5,358,642		772,928	(4,585,714)		(4,585,714)
General Administrative Services	565,254			(565,254)		(565,254)
School Administrative Services	1,714,766			(1,714,766)		(1,714,766)
Central Services	431,976			(431,976)		(431,976)
Administrative Information Technology	209,198			(209,198)		(209,198)
Plant Operations and Maintenance	3,309,311		118,176	(3,191,135)		(3,191,135)
Pupil Transportation	2,129,484		40,247	(2,089,237)		(2,089,237)
Special Schools	490,541			(490,541)		(490,541)
Unallocated Benefits	23,435,443		10,567,156	(12,868,287)		(12,868,287)
Interest on Long-Term Debt	265,466			(265,466)		(265,466)
Total Governmental Activities	59,765,669	702,160	13,912,617	(45,150,892)		(45,150,892)
Business-Type Activities:						
Food Service	1,723,280	156,201	1,669,919		\$ 102,840	102,840
Total Business-Type Activities	1,723,280	156,201	1,669,919		102,840	102,840
Total Government	\$ 61,488,949	\$ 858,361	\$ 15,582,536	(45,150,892)	102,840	(45,048,052)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				13,115,644		13,115,644
Taxes Levied for Debt Service				836,318		836,318
Federal, State and Local Aid Not Restricted				31,515,158		31,515,158
State Aid Restricted				643,506		643,506
Interest income				23,415	1,527	24,942
Miscellaneous Income				27,184		27,184
Loss on Disposal of Capital Assets				(6,545)		(6,545)
Total General Revenues and Loss on Disposal of Capital Assets				46,154,680	1,527	46,156,207
Change in Net Position				1,003,788	104,367	1,108,155
Net Position -- July 1				7,990,886	789,834	8,780,720
Net Position -- June 30				\$ 8,994,674	\$ 894,201	\$ 9,888,875

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, 2018

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 385,806			\$ 1	\$ 385,807
Cash - Capital Reserve Account	2,942,392				2,942,392
Cash - Maintenance Reserve Account	250,500				250,500
Cash - Current Expense Emergency Reserve	61,325				61,325
Accounts Receivable, net (Note 5)					
State	255,397				255,397
Federal		\$ 373,720			373,720
Intergovernmental	193,599				193,599
Interfund	216,746				216,746
Total Assets	\$ 4,305,765	\$ 373,720	\$ -	\$ 1	\$ 4,679,486
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 921,176	\$ 70,011			\$ 991,187
Interfunds Payable		216,536			216,536
Unearned Revenue		205,515			205,515
Total Liabilities	921,176	492,062			1,413,238
Fund Balances:					
Restricted for:					
Capital Reserve Account	2,942,392				2,942,392
Maintenance Reserve	250,500				250,500
Emergency Reserve	61,325				61,325
Excess Surplus--Designated for Subsequent Year's Expenditures	636,859				636,859
Excess Surplus	684,143				684,143
Debt Service				\$ 1	1
Assigned:					
Other Purposes	520,396				520,396
Unassigned (Deficit)	(1,711,026)	(118,342)			(1,829,368)
Total Fund Balances	3,384,589	(118,342)		1	3,266,248
Total Liabilities and Fund Balances	\$ 4,305,765	\$ 373,720	\$ -	\$ 1	

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 \$49,281,560 and the accumulated depreciation is \$24,132,474.

25,149,086

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.

(9,130,912)

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

(26,743)

Net Pension Liability

(10,901,126)

Accounts Payable related to the April 1, 2019 Required PERS pension contribution that is not to be liquidated with current financial resources.

(437,410)

Deferred Outflows of Resources - Related to Pensions

3,352,153

Deferred Inflows of Resources - Related to Pensions

(2,276,622)

Net position of governmental activities

\$ 8,994,674

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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 13,115,644			\$ 836,318	\$ 13,951,962
Interest	23,415				23,415
Tuition	702,160				702,160
Unrestricted Miscellaneous Revenues	27,184				27,184
Local Sources		\$ 7,695			7,695
State Sources	31,368,093	1,191,016		643,506	33,202,615
Federal Sources	147,065	3,137,362			3,284,427
Total Revenues	45,383,561	4,336,073		1,479,824	51,199,458
EXPENDITURES:					
Current:					
Regular Instruction	10,738,405	841,541			11,579,946
Special Education Instruction	2,909,875	623,143			3,533,018
Other Special Instruction	2,659,015	874,174			3,533,189
Support Services and Undistributed Costs:					
Tuition	1,800,855	698,395			2,499,250
Student and Instruction Related Services	4,384,272	772,928			5,157,200
General Administrative Services	540,423				540,423
School Administrative Services	1,639,440				1,639,440
Central Services	431,976				431,976
Administrative Information Technology	209,198				209,198
Plant Operations and Maintenance	3,050,955	118,176			3,169,131
Pupil Transportation	1,997,461	40,247			2,037,708
Unallocated Benefits	12,459,382	990,612			13,449,994
Special Schools	490,541				490,541
Debt Service:					
Principal				1,130,000	1,130,000
Interest and Other Charges	19,250			353,644	372,894
Capital Outlay	1,344,495				1,344,495
Total Expenditures	44,675,543	4,959,216	-	1,483,644	51,118,403
Excess (Deficiency) of Revenues over Expenditures	708,018	(623,143)	-	(3,820)	81,055
OTHER FINANCING SOURCES (USES):					
Operating Transfers In		623,143			623,143
Operating Transfers Out	(623,143)		-		(623,143)
Total Other Financing Sources (Uses)	(623,143)	623,143	-	-	-
Net Change in Fund Balances	84,875	-	-	(3,820)	81,055
Fund Balance -- July 1	3,299,714	(118,342)		3,821	3,185,193
Fund Balance -- June 30	\$ 3,384,589	\$ (118,342)	\$ -	\$ 1	\$ 3,266,248

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, 2018

Total Net Change in Fund Balances - Governmental Funds	\$	81,055
<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	\$	(1,282,817)
Capital Outlays		<u>1,344,495</u>
		61,678
<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>		
		1,130,000
<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>		
		4,153
<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>The net effect of various miscellaneous transactions involving capital assets (i.e., disposals and donations) is to decrease net position</p>		
		(6,545)
<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>		
		39,077
<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>(408,905)</u>
Change in Net Position of Governmental Activities	\$	<u>1,003,788</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Proprietary Fund
Statement of Net Position
June 30, 2018

	Business-Type Activities - <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 384,095
Accounts Receivable:	
State	1,544
Federal	120,383
Inventories	<u>16,159</u>
Total Current Assets	<u>522,181</u>
Noncurrent Assets:	
Equipment	871,842
Less Accumulated Depreciation	<u>(471,888)</u>
Total Noncurrent Assets	<u>399,954</u>
Total Assets	<u>922,135</u>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable	210
Accounts Payable	<u>27,724</u>
Total Current Liabilities	<u>27,934</u>
NET POSITION:	
Net Investment in Capital Assets	399,954
Unrestricted	<u>494,247</u>
Total Net Position	<u>\$ 894,201</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 133,080
Daily Sales - Non-Reimbursable Programs	15,537
Special Functions	<u>7,584</u>
Total Operating Revenues	<u>156,201</u>
OPERATING EXPENSES:	
Salaries	510,676
Employee Benefits	104,116
Supplies and Materials	81,377
Cost of Sales - Reimbursable Programs	881,428
Cost of Sales - Non-Reimbursable Programs	11,303
Other Purchased Professional Services	4,870
Management Fee	85,473
Repairs and Maintenance	7,390
Depreciation	36,408
Loss on Disposal of Equipment	<u>239</u>
Total Operating Expenses	<u>1,723,280</u>
Operating Income (Loss)	<u>(1,567,079)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	19,884
Federal Sources:	
Healthy Hunger Free Kids Program	21,999
Fresh Fruits & Vegetables Program	42,693
National School Lunch Program	1,018,363
School Breakfast Program	446,474
Summer Feeding Program	11,744
United States Department of Agriculture Commodities	108,762
Interest and Investment Revenue	<u>1,527</u>
Total Nonoperating Revenues	<u>1,671,446</u>
Change in Net Position	104,367
Total Net Position -- July 1	<u>789,834</u>
Total Net Position -- June 30	<u>\$ 894,201</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 156,201
Payments to Employees	(510,676)
Payments for Employee Benefits	(104,116)
Payments to Suppliers	<u>(947,667)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,406,258)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received from Federal and State Reimbursements	<u>1,543,512</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,543,512</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	<u>(25,701)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(25,701)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>1,527</u>
Net Cash Provided by (used for) Investing Activities	<u>1,527</u>
Net Increase (Decrease) in Cash and Cash Equivalents	113,080
Cash and Cash Equivalents -- July 1	<u>271,015</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 384,095</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (1,567,079)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	36,408
Loss on Disposal of Equipment	239
Federal Commodities	108,762
(Increase) Decrease in Inventories	(1,778)
Increase (Decrease) in Other Current Liabilities	<u>17,190</u>
Total Adjustments	<u>160,821</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (1,406,258)</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, 2018

	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>
ASSETS:						
Cash and Cash Equivalents	\$ 347,979	\$ 1,220	\$ 349,199	\$ 79,300	\$ 238,194	\$ 317,494
Total Assets	<u>347,979</u>	<u>1,220</u>	<u>349,199</u>	<u>\$ 79,300</u>	<u>\$ 238,194</u>	<u>\$ 317,494</u>
LIABILITIES:						
Payable to Student Groups				\$ 79,300		\$ 79,300
Payroll Deductions and Withholdings					<u>\$ 238,194</u>	<u>238,194</u>
Total Liabilities				<u>\$ 79,300</u>	<u>\$ 238,194</u>	<u>\$ 317,494</u>
NET POSITION:						
Held in Trust for Unemployment Claims and Other Purposes	<u>347,979</u>	<u>1,220</u>	<u>349,199</u>			
Total Net Position	<u>\$ 347,979</u>	<u>\$ 1,220</u>	<u>\$ 349,199</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, 2018

	<u>Private Purpose Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 41,747	
Total Contributions	<u>41,747</u>	<u>-</u>
Investment Earnings:		
Interest	<u>2,092</u>	<u>\$ 8</u>
Net Investment Earnings	<u>2,092</u>	<u>8</u>
Total Additions	<u>43,839</u>	<u>8</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	94,212	
Scholarships Awarded		1,000
Total Deductions	<u>94,212</u>	<u>1,000</u>
Change in Net Position	(50,373)	(992)
Net Position -- July 1	<u>398,352</u>	<u>2,212</u>
Net Position -- June 30	<u>\$ 347,979</u>	<u>\$ 1,220</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, 2018

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, 2018 of 2,748.

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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. 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.

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 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.

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:

Enterprise 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 financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 internal/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, 2018. The School District has no prepaid expenses for the fiscal year ended June 30, 2018.

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 and postemployment benefit plans.

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, 2018 and 2017 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 may 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, 2018, 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**

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2018:

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 adoption of this Statement required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. In addition, the School District was required to include additional note disclosures (see note 11) and required supplementary information related to postemployment benefits.

Statement No. 85, Omnibus 2017. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). 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 that will become effective for the School District for fiscal years ending after June 30, 2018:

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2020. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an 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, 2018, the School District's bank balances of \$5,839,841 were exposed to custodial credit risk as follows:

Insured	\$ 832,062
Insured under GUDPA	4,609,376
Uninsured/Uncollateralized	<u>398,403</u>
	<u>\$ 5,839,841</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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 1,708,697
Increased by:	
Budgeted Increase in Capital Reserve	
Transfer per June 26, 2018 Resolution	\$ 1,329,485
Interest Earnings	<u>2,500</u>
	<u>1,331,985</u>
	3,040,682
Decreased by:	
Withdrawals	<u>98,290</u>
Ending Balance, June 30, 2018	<u>\$ 2,942,392</u>

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The June 30, 2018 LRFP balance of local support costs of uncompleted projects at June 30, 2018 is \$19,764,096. 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, 2018, the School District transferred \$98,290 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, 2018 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. All receivables are considered collectible.

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

	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>	<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 373,720	\$ 373,720	\$ 120,383	\$ 120,383	\$ 494,103
State Awards	\$ 255,397		255,397	1,544	1,544	256,941
Other	193,599		193,599			193,599
Total	\$ 448,996	\$ 373,720	\$ 822,716	\$ 121,927	\$ 121,927	\$ 944,643

Note 6: INVENTORY

Inventory recorded at June 30, 2018 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	\$ 12,082
Supplies	<u>4,077</u>
	<u>\$ 16,159</u>

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Retirements / Transfers</u>	<u>Balance June 30, 2018</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,998,297			\$ 1,998,297
Construction in Progress	<u>134,798</u>	<u>\$ 75,458</u>	<u>\$ (134,798)</u>	<u>75,458</u>
Total Capital Assets, not being Depreciated	<u>2,133,095</u>	<u>75,458</u>	<u>(134,798)</u>	<u>2,073,755</u>
Capital Assets, being Depreciated:				
Site Improvement	3,694,928	528,130	134,798	4,357,856
Buildings and Improvements	35,659,354	410,409		36,069,763
Equipment	<u>6,522,263</u>	<u>330,498</u>	<u>(72,575)</u>	<u>6,780,186</u>
Total Capital Assets, being Depreciated	<u>45,876,545</u>	<u>1,269,037</u>	<u>(62,223)</u>	<u>47,207,805</u>
Less Accumulated Depreciation for:				
Site Improvements	(2,044,236)	(131,340)		(2,175,576)
Building and Improvements	(15,719,634)	(939,241)		(16,658,875)
Equipment	<u>(5,151,817)</u>	<u>(212,236)</u>	<u>66,030</u>	<u>(5,298,023)</u>
Total Accumulated Depreciation	<u>(22,915,687)</u>	<u>(1,282,817)</u>	<u>66,030</u>	<u>(24,132,474)</u>
Total Capital Assets, being Depreciated, Net	<u>22,960,858</u>	<u>(13,780)</u>	<u>128,253</u>	<u>23,075,331</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,093,953</u>	<u>\$ 61,678</u>	<u>\$ (6,545)</u>	<u>\$ 25,149,086</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 850,893	\$ 25,701	\$ (4,752)	\$ 871,842
Less Accumulated Depreciation	<u>(439,993)</u>	<u>(36,408)</u>	<u>4,513</u>	<u>(471,888)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 410,900</u>	<u>\$ (10,707)</u>	<u>\$ (239)</u>	<u>\$ 399,954</u>

Note 7: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:

Instruction	\$ 749,604
Student & Instruction Related Services	201,534
General and Business Administrative Services	100,203
Plant Operations and Maintenance	140,244
Pupil Transportation	<u>91,232</u>

Total Depreciation- Governmental Activities	<u>\$ 1,282,817</u>
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Business-Type Activities:

Food Services	<u>\$ 36,408</u>
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Total Depreciation Expenses – Business-Type Activities	<u>\$ 36,408</u>
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Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in long-term obligations:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 8,805,000	_____	\$ (1,130,000)	\$ 7,675,000	\$ 1,120,000
Unamortized Cost of Premium on Bonds	<u>783,165</u>	_____	<u>(103,275)</u>	<u>679,890</u>	_____
Other Liabilities:					
Net Pension Liability	13,385,999	\$ 3,882,203	(6,367,076)	10,901,126	
Compensated Absences	<u>815,099</u>	<u>107,435</u>	<u>(146,512)</u>	<u>776,022</u>	<u>232,509</u>
Total Other Liabilities	<u>14,201,098</u>	<u>3,989,638</u>	<u>(6,513,588)</u>	<u>11,677,148</u>	<u>232,509</u>
Governmental Activities Long-term Liabilities	<u>\$ 23,789,263</u>	<u>\$ 3,989,638</u>	<u>\$ (7,746,863)</u>	<u>\$ 20,032,038</u>	<u>\$ 1,352,509</u>

The bonds payable are 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.

Note 8: LONG-TERM LIABILITIES (CONT'D)

<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2003	\$ 1,515,000	2018 to 2020	5.35%	\$ 105,000
2015	10,910,000	2019 to 2025	4.00%	7,570,000
				<u>\$ 7,675,000</u>

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,120,000	\$ 307,831	\$ 1,427,831
2020	1,135,000	262,419	1,397,419
2021	1,115,000	216,406	1,331,406
2022	1,090,000	172,200	1,262,200
2023	1,075,000	128,600	1,203,600
2024-2025	2,140,000	128,000	2,268,000
	<u>\$ 7,675,000</u>	<u>\$ 1,215,456</u>	<u>\$ 8,890,456</u>

Bonds Authorized But Not Issued - As of June 30, 2018, 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 15 for a description of the School District's Policy.

Net Pension Liability - For details on the net pension liability, refer to Note 10. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 9: OPERATING LEASES

At June 30, 2018, 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>
2019	\$ 117,800
2020	75,180
2021	69,473
	<u>\$ 262,453</u>

Rental payments under operating leases for the fiscal year ended June 30, 2018 were \$166,493.

Note 10: 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, required supplementary information and detailed information about the PERS and TPAF plan's fiduciary net position which can be obtained by writing to or at the following website:

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

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. 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 New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (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.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****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:

Tier Definition

- 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more 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. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more service credit before age 62 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.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the 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, 2018 was 10.25% of the School District's covered 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, 2018 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, 2017, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2018 was \$1,890,743, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$1,110,116.

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 seven years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. 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) was 10%. Employer contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 14.85% 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.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2017, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$433,824, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$225,640.

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, 2018, employee contributions totaled \$23,015.06, and the School District recognized pension expense, which equaled the required contributions, of \$13,156.84. There were no forfeitures during the fiscal year.

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, 2018, 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>113,526,980</u>
	<u>\$ 113,526,980</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. For the June 30, 2017 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, 2017, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2017 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.1683786835%, which was an increase of 0.0071072916% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized \$7,864,574 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Note 10: 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 - At June 30, 2018, the School District reported a liability of \$10,901,126 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. 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. For the June 30, 2017 measurement date, the School District's proportion was 0.0468293592%, which was an increase of 0.0016325497% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized pension expense of \$842,725, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

At June 30, 2018, 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	\$ 256,684	\$ -
Changes of Assumptions	2,196,201	2,188,150
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	74,229	-
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contribution	387,629	88,472
School District Contributions Subsequent to the Measurement Date	<u>437,410</u>	<u>-</u>
	<u>\$ 3,352,153</u>	<u>\$ 2,276,622</u>

\$437,410, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2019. 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>
2019	\$ 313,069
2020	443,696
2021	310,604
2022	(232,952)
2023	<u>(196,296)</u>
	<u>\$ 638,121</u>

Note 10: 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
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
June 30, 2016	5.00	-
June 30, 2017	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
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

Note 10: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.25%	2.25%
Salary Increases:		
2012-2021	Varies Based on Experience	-
Through 2026	-	1.65% - 4.15% Base on Age
Thereafter	Varies Based on Experience	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2012- June 30, 2015	July 1, 2011 – June 30, 2014

For TPAF, pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

Note 10: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rates used to measure the total pension liability at June 30, 2017 were 4.25% and 5.00% for TPAF and PERS, 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 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined amount for TPAF and PERS and the local employers contributed 100% of the actuarially determined amount for PERS. 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 2036 for TPAF and 2040 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 for TPAF and 2040 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 10: 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, 2017, 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 4.25%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability	134,873,613	113,526,980	95,941,531
	<u>\$ 134,873,613</u>	<u>\$ 113,526,980</u>	<u>\$ 95,941,531</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2017, the plans measurement date, calculated using a discount rate of 5.00%, 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:

	PERS		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 13,523,587	\$ 10,901,126	\$ 8,716,292

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's 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 <http://www.nj.gov/treasury/pensions/gasb-notices.shtml>.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

Employees Covered by Benefit Terms - At June 30, 2018, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active plan members	223,747
Inactive plan members or beneficiaries currently receiving benefits	142,331
Inactive plan members entitled to but not yet receiving benefit payments	-
	<u>366,078</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2018 was \$95,157,754. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total Non-Employer OPEB Liability.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The total Non-Employer OPEB Liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total Non-Employer OPEB Liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. For the June 30, 2017 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the School District was 0.1774012575%, which was a decrease of 0.0004537896% from its proportion measured as of June 30, 2016.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2016 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases –

	<u>TPAF/ABP (1)</u>	<u>PERS (2)</u>	<u>PFRS (2)</u>
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

(1) – Based on years of service

(2) – Based on age

Inflation Rate - 2.50%.

Mortality Rates - Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Experience Studies - The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Changes in the Total Non-Employer OPEB Liability - The below table summarizes the State's proportionate share of the change in the Total Non-Employer OPEB Liability associated with the School District:

Balance at June 30, 2017		\$	102,856,747
Changes for the year:			
Service cost	\$	4,307,939	
Interest cost		3,024,155	
Changes in assumptions		(12,908,190)	
Gross benefit payments		(2,204,056)	
Member contributions		81,159	
Net changes			(7,698,993)
Balance at June 30, 2018		\$	<u>95,157,754</u>

There were no changes in benefit terms between the June 30, 2016 measurement date and the June 30, 2017 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% for the June 30, 2016 measurement date to 3.58% for the June 30, 2017 measurement date.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2017, associated with the School District, using a discount rate of 3.58%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 112,959,119</u>	<u>\$ 95,157,754</u>	<u>\$ 81,037,542</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2017, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Increase	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 78,258,054</u>	<u>\$ 95,157,754</u>	<u>\$ 117,600,357</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability - For the fiscal year ended June 30, 2018, the School District recognized \$5,980,698 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2017 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2018, the State's proportionate share of the total Non-Employer OPEB Liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion	-	\$ 207,370
Changes of assumptions or other inputs	-	11,253,926
	<u>\$ -</u>	<u>\$ 11,461,296</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2019	\$ (1,342,072)
2020	(1,342,072)
2021	(1,342,072)
2022	(1,342,072)
2023	(1,342,072)
Thereafter	<u>(4,750,936)</u>
	<u>\$ (11,461,296)</u>

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2018, 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 financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,532,137, \$61,449, \$1,675,142, and \$5,532, respectively.

Note 13: 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.

New Jersey Unemployment Compensation Insurance (cont'd) - 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>
2018	\$ 2,092	\$ 41,747	\$ 94,212	\$ 347,979
2017	2,768	39,447	35,176	398,352
2016	1,512	37,140	48,560	391,313

Joint Insurance Pool - The School District is a member of the Burlington County Insurance Pool 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, 2018, which can be obtained from:

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

Note 14: 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 15: 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 eleven paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to thirteen 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 four 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.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, the liability for compensated absences reported on the government-wide statement of net position was \$776,022.

Note 16: INTERFUND RECEIVABLES, PAYABLES AND TRANSFER

The composition of interfund balances as of June 30, 2018 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 216,746	
Special Revenue		\$ 216,536
Proprietary		210
	<u>\$ 216,746</u>	<u>\$ 216,746</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2019, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 16: INTERFUND RECEIVABLES, PAYABLES AND TRANSFER (CONT'D)

Interfund Transfers:

<u>Transfer Out:</u>	<u>Transfer In:</u> <u>Special</u> <u>Revenue Fund</u>
General Fund	\$ 623,143
Total Transfers	<u>\$ 623,143</u>

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

Note 17: 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 18: 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 19: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$1,711,026 in the general fund and \$118,342 in the special revenue fund as of June 30, 2018 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 \$1,829,368 is less than the June state aid payments.

Note 20: 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, 2018 is \$684,143. Additionally, \$636,859 of excess fund balance generated during 2016-2017 has been restricted and designated for utilization in the 2018-2019 budget.

For Capital Reserve Account - As of June 30, 2018, the balance in the capital reserve account is \$2,942,392. 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, 2018, the balance in the maintenance reserve account is \$250,500. 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).

For Emergency Reserve - As of June 30, 2018, the balance in the emergency reserve is \$61,325. 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.

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, 2019, \$1 of debt service fund balance at June 30, 2018.

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 -

Other Purposes - As of June 30, 2018, the School District had \$520,396 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 20: FUND BALANCES (CONT'D)**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, 2018, \$(1,711,026) of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2018, 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 19, 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 the same amount as 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, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,235,644	\$ (120,000)	\$ 13,115,644	\$ 13,115,644	
Interest Earned on Capital Reserve Fund	2,500		2,500	2,500	
Interest Earned on Emergency Reserve Fund	500		500	500	
Interest Earned on Maintenance Reserve	500		500	500	
Interest	20,000		20,000	19,915	\$ (85)
Tuition	800,000		800,000	684,560	(115,440)
Tuition from Summer School				17,600	17,600
Unrestricted Misc. Revenues	20,000		20,000	27,184	7,184
Total - Local Sources	14,079,144	(120,000)	13,959,144	13,868,403	(90,741)
State Sources:					
Equalization Aid	22,269,343	731,618	23,000,961	23,200,961	200,000
Categorical Transportation Aid	167,623		167,623	167,623	-
Categorical Security Aid	430,638		430,638	430,638	-
Categorical Special Education Aid	1,304,369		1,304,369	1,304,369	-
Extraordinary Aid	150,000		150,000	162,055	12,055
Nonpublic Transportation Aid				26,318	26,318
School Choice Aid	293,755		293,755	293,755	-
Adjustment Aid	29,975		29,975	29,975	-
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	-
Professional Learning Community Aid	27,020		27,020	27,020	-
Host District Support Aid	24,942		24,942	24,942	-
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				2,532,137	2,532,137
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				61,449	61,449
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				5,532	5,532
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,675,142	1,675,142
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,325,468	1,325,468
Total - State Sources	24,925,811	731,618	25,657,429	31,495,530	5,838,101
Federal Sources:					
Medicaid Reimbursement	121,474		121,474	147,065	25,591
Total - Federal Sources	121,474	-	121,474	147,065	25,591
Total Revenues	39,126,429	611,618	39,738,047	45,510,998	5,772,951

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

EXPENDITURES:	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 401,546	\$ 116,454	\$ 518,000	\$ 517,136	\$ 864
Grades 1-5	3,219,228	96,152	3,315,380	3,267,695	47,685
Grades 6-8	2,523,618	(26,427)	2,497,191	2,446,273	50,918
Grades 9-12	2,874,310	82,269	2,956,579	2,920,391	36,188
Regular Programs - Home Instruction:					
Salaries of Teachers	60,000	(19,899)	40,101	32,418	7,683
Purchased Professional/Educational Services	25,000	24,934	49,934	44,956	4,978
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	63,595	(16,315)	47,280	40,910	6,370
Purchased Professional/Educational Services	476,195	109,221	585,416	503,366	82,050
Other Purchased Services	123,498		123,498	116,939	6,559
General Supplies	491,357	473,645	965,002	848,196	116,806
Textbooks	10,391	189	10,580		10,580
Other Objects		125	125	125	-
Total Regular Programs	<u>10,268,738</u>	<u>840,348</u>	<u>11,109,086</u>	<u>10,738,405</u>	<u>370,681</u>
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	106,655	300	106,955	106,163	792
Other Salaries for Instruction	52,892	(8,750)	44,142	37,085	7,057
General Supplies	7,767	(501)	7,266	2,932	4,334
Total Learning and Language Disabled	<u>167,314</u>	<u>(8,951)</u>	<u>158,363</u>	<u>146,180</u>	<u>12,183</u>
Behavioral Disabilities					
Salaries of Teacher	105,361	45,337	150,698	150,698	-
Other Salaries for Instruction	14,267	17,934	32,201	32,180	21
General Supplies	1,748	682	2,430	1,665	765
Total Behavioral Disabilities	<u>121,376</u>	<u>63,953</u>	<u>185,329</u>	<u>184,543</u>	<u>786</u>
Multiple Disabilities					
Salaries of Teacher	338,837	1,183	340,020	340,020	-
Other Salaries for Instruction	180,416	3,635	184,051	184,051	-
General Supplies	10,042	(3,525)	6,517	5,523	994
Total Multiple Disabilities	<u>529,295</u>	<u>1,293</u>	<u>530,588</u>	<u>529,594</u>	<u>994</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room/ Resource Center					
Salaries of Teachers	\$ 2,026,913	\$ (101,156)	\$ 1,925,757	\$ 1,925,757	
Other Salaries for Instruction	72,133	(8,065)	64,068	64,068	
Purchased Professional/Educational Services		64,097	64,097		\$ 64,097
General Supplies	<u>10,134</u>	<u>(47)</u>	<u>10,087</u>	<u>8,249</u>	<u>1,838</u>
Total Resource Room/ Resource Center	<u>2,109,180</u>	<u>(45,171)</u>	<u>2,064,009</u>	<u>1,998,074</u>	<u>65,935</u>
Home Instruction					
Salaries of Teachers	25,000	(11,478)	13,522	4,835	8,687
Purchased Professional - Educational Services	<u>25,410</u>	<u>30,398</u>	<u>55,808</u>	<u>46,649</u>	<u>9,159</u>
Total Home Instruction	<u>50,410</u>	<u>18,920</u>	<u>69,330</u>	<u>51,484</u>	<u>17,846</u>
Total Special Education - Instruction	<u>2,977,575</u>	<u>30,044</u>	<u>3,007,619</u>	<u>2,909,875</u>	<u>97,744</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	712,744	114,715	827,459	827,459	-
Purchased Professional - Educational Services	2,550	8,988	11,538	2,550	8,988
General Supplies	<u>68,976</u>	<u>(11,006)</u>	<u>57,970</u>	<u>42,941</u>	<u>15,029</u>
Total Basic Skills/ Remedial - Instruction	<u>784,270</u>	<u>112,697</u>	<u>896,967</u>	<u>872,950</u>	<u>24,017</u>
Bilingual Education - Instruction					
Salaries of Teachers	1,177,579	(79,935)	1,097,644	1,075,603	22,041
Other Salaries for Instruction	52,519	10,064	62,583	55,201	7,382
General Supplies	<u>43,047</u>	<u>(9,459)</u>	<u>33,588</u>	<u>25,182</u>	<u>8,406</u>
Total Bilingual Education - Instruction	<u>1,273,145</u>	<u>(79,330)</u>	<u>1,193,815</u>	<u>1,155,986</u>	<u>37,829</u>
School Sponsored Cocurricular Activities - Instruction					
Salaries of Teachers	147,175		147,175	133,083	14,092
Purchased Services	27,500	12,692	40,192	33,812	6,380
Supplies and Materials	<u>23,983</u>	<u>(11,378)</u>	<u>12,605</u>	<u>9,274</u>	<u>3,331</u>
Total School Sponsored Cocurricular Activities - Instruction	<u>198,658</u>	<u>1,314</u>	<u>199,972</u>	<u>176,169</u>	<u>23,803</u>
School Sponsored Athletics - Instruction					
Salaries	359,703	2,000	361,703	338,995	22,708
Purchased Services	41,729	(1,000)	40,729	27,841	12,888
Supplies & Materials	71,226	8,761	79,987	66,831	13,156
Other Objects	<u>34,200</u>	<u>(4,531)</u>	<u>29,669</u>	<u>20,243</u>	<u>9,426</u>
Total School Sponsored Athletics - Instruction	<u>506,858</u>	<u>5,230</u>	<u>512,088</u>	<u>453,910</u>	<u>58,178</u>
Total Instruction	<u>16,009,244</u>	<u>910,303</u>	<u>16,919,547</u>	<u>16,307,295</u>	<u>612,252</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 50,000	\$ 113,079	\$ 163,079	\$ 155,569	\$ 7,510
Tuition to Other LEA's Within State - Special	100,481	(45,355)	55,126	35,935	19,191
Tuition to County Voc. School Dist. - Regular	272,085	(90,205)	181,880	181,880	-
Tuition to CSSD and Regional Day Schools	429,400	(69,186)	360,214	273,420	86,794
Tuition to Private Schools for the Disabled - Within State	1,239,594	(3,398)	1,236,196	1,077,088	159,108
Tuition - State Facilities	72,103		72,103	72,103	-
Tuition - Other		4,860	4,860	4,860	-
Total Undistributed Expenditures - Instruction	<u>2,163,663</u>	<u>(90,205)</u>	<u>2,073,458</u>	<u>1,800,855</u>	<u>272,603</u>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	76,179	(815)	75,364	73,261	2,103
Salaries of Family Liaisons	21,269	151	21,420	21,252	168
Purchased Professional & Technical Services	42,908		42,908	42,871	37
Supplies & Materials		664	664	664	-
Total Undistributed Expenditures - Attendance and Social Work	<u>140,356</u>	<u>-</u>	<u>140,356</u>	<u>138,048</u>	<u>2,308</u>
Undistributed Expenditures - Health Services:					
Salaries	281,929	4,118	286,047	281,064	4,983
Purchased Professional and Technical Services	34,500	33,946	68,446	66,953	1,493
Other Purchased Services	5,707		5,707	5,707	-
Supplies and Materials	17,942	(255)	17,687	13,487	4,200
Total Undistributed Expenditures - Health Services	<u>340,078</u>	<u>37,809</u>	<u>377,887</u>	<u>367,211</u>	<u>10,676</u>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	255,241	(29,744)	225,497	220,472	5,025
Purchased Professional - Educational Services	254,762	46,912	301,674	233,344	68,330
Supplies and Materials	9,061	(467)	8,594	7,351	1,243
Total Undistributed Expenditures - Other Support Services - Students - Related Services	<u>519,064</u>	<u>16,701</u>	<u>535,765</u>	<u>461,167</u>	<u>74,598</u>
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	124,558	(8,040)	116,518	107,312	9,206
Purchased Professional - Educational Services	442,969	61,045	504,014	430,286	73,728
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	<u>567,527</u>	<u>53,005</u>	<u>620,532</u>	<u>537,598</u>	<u>82,934</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Guidance:					
Salaries of Other Professional Staff	\$ 559,692	\$ (2,663)	\$ 557,029	\$ 552,410	\$ 4,619
Purchased Professional - Educational Services	16,133	237	16,370	16,370	-
Supplies and Materials	22,929	(8,032)	14,897	12,373	2,524
Other Objects	180	45	225	225	-
Total Undistributed Expenditures - Other Support Services -					
Students - Guidance	<u>598,934</u>	<u>(10,413)</u>	<u>588,521</u>	<u>581,378</u>	<u>7,143</u>
Undistributed Expenditures - Other Support Services -					
Students - Child Study Team:					
Salaries of Other Professional Staff	831,500	(14,591)	816,909	811,628	5,281
Salaries of Secretarial and Clerical Assistants	140,550		140,550	140,550	-
Other Purchased Professional and Technical Services	70,661	4,620	75,281	59,001	16,280
Miscellaneous Purchased Services	10,670		10,670	3,517	7,153
Supplies & Materials	14,508		14,508	9,076	5,432
Total Undistributed Expenditures - Other Support Services -					
Students - Child Study Team	<u>1,067,889</u>	<u>(9,971)</u>	<u>1,057,918</u>	<u>1,023,772</u>	<u>34,146</u>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	765,873	(24,876)	740,997	723,181	17,816
Salaries of Other Professional Staff	21,628		21,628	14,177	7,451
Salaries of Facilitators, Math & Literacy	170,504		170,504	134,460	36,044
Supplies and Materials	500		500	29	471
Total Undistributed Expenditures - Improvement of Instruction Services	<u>958,505</u>	<u>(24,876)</u>	<u>933,629</u>	<u>871,847</u>	<u>61,782</u>
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	210,251	4,570	214,821	211,901	2,920
Salaries of Technology Coordinators	108,063	(3,875)	104,188	99,347	4,841
Purchased Professional and Technical Services	31,075	(1,840)	29,235	28,452	783
Supplies and Materials	41,885	(5,660)	36,225	29,296	6,929
Total Undistributed Expend. - Educational Media Services / Sch Library	<u>391,274</u>	<u>(6,805)</u>	<u>384,469</u>	<u>368,996</u>	<u>15,473</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	44,125	11,186	55,311	26,079	29,232
Other Purchased Services	2,500	3,981	6,481	6,481	-
Supplies and Materials	1,100		1,100		1,100
Total Undistributed Expenditures - Instructional Staff Training Services	<u>47,725</u>	<u>15,167</u>	<u>62,892</u>	<u>32,560</u>	<u>30,332</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 260,165		\$ 260,165	\$ 260,165	
Salaries of Governance Staff	3,200		3,200	3,200	
Legal Services	48,000	\$ (2,198)	45,802	43,302	\$ 2,500
Audit Fees	25,600		25,600	25,450	150
Architectual/Engineering Services	20,000	(301)	19,699	16,219	3,480
Communications / Telephone	75,154	(48)	75,106	25,715	49,391
BOE Other Purchased Services	3,600	48	3,648	3,648	-
Miscellaneous Purchased Services	139,331		139,331	128,691	10,640
General Supplies	4,600		4,600	2,198	2,402
BOE In-House Training/Meeting Supplies	2,900		2,900	1,582	1,318
Miscellaneous Expenditures	10,050	1,400	11,450	9,047	2,403
BOE Membership Dues and Fees	22,800		22,800	21,206	1,594
Total Undistributed Expenditures - Support Services - General Admin	615,400	(1,099)	614,301	540,423	73,878
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	1,103,506	(1,920)	1,101,586	1,066,190	35,396
Salaries of Secretarial and Clerical Assistants	498,891	(250)	498,641	470,136	28,505
Purchased Professional and Technical Services	33,000	5,073	38,073	32,073	6,000
Other Purchased Services	37,210	(768)	36,442	32,628	3,814
Supplies and Materials	23,701	(2,698)	21,003	18,316	2,687
Other Objects	26,650	-	26,650	20,097	6,553
Total Undistributed Expenditures - Support Services - School Admin.	1,722,958	(563)	1,722,395	1,639,440	82,955
Undistributed Expenditures - Central Services					
Salaries	392,803	1,200	394,003	393,981	22
Purchased Professional Services	14,550	(2,500)	12,050	3,468	8,582
Purchased Technical Services	29,340	(4,586)	24,754	18,996	5,758
Miscellaneous Purchased Services	8,100	(74)	8,026	6,599	1,427
Supplies and Materials	5,000	2,601	7,601	5,291	2,310
Interest on Current Loans	1,490		1,490	1,469	21
Miscellaneous Expenditures	4,100	(1,006)	3,094	2,172	922
Total Undistributed Expenditures - Central Services	455,383	(4,365)	451,018	431,976	19,042
Undistributed Expenditures - Admin. Info. Technology					
Salaries	98,074		98,074	98,074	-
Purchased Technical Services	82,623	30,298	112,921	86,550	26,371
Supplies and Materials	40,000	22,426	62,426	24,574	37,852
Total Undistributed Expenditures - Admin. Info. Technology	220,697	52,724	273,421	209,198	64,223

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd):					
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Cleaning, Repair and Maintenance Services	\$ 201,820	\$ 68,668	\$ 270,488	\$ 225,306	\$ 45,182
General Supplies	72,850	(2,916)	69,934	37,010	32,924
Other Objects	17,500	760	18,260	10,745	7,515
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	<u>292,170</u>	<u>66,512</u>	<u>358,682</u>	<u>273,061</u>	<u>85,621</u>
Undistributed Expenditures - Custodial Services:					
Salaries	1,252,034	(82,090)	1,169,944	1,052,966	116,978
Purchased Professional and Technical Services		49,653	49,653	45,708	3,945
Cleaning, Repair, and Maintenance of Plant Services	47,500	(15,869)	31,631	27,603	4,028
Other Purchased Property Services	78,200	(350)	77,850	74,634	3,216
Insurance	211,391		211,391	211,209	182
General Supplies	141,500	15,593	157,093	151,252	5,841
Energy (Natural Gas)	290,000		290,000	264,757	25,243
Energy (Electricity)	600,000	(100)	599,900	575,767	24,133
Other Objects	3,500	5,180	8,680	8,376	304
Total Undistributed Expenditures - Custodial Services	<u>2,624,125</u>	<u>(27,983)</u>	<u>2,596,142</u>	<u>2,412,272</u>	<u>183,870</u>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	166,343	14,407	180,750	179,343	1,407
Cleaning, Repair, and Maintenance Services	16,500	10,154	26,654	17,469	9,185
General Supplies	31,500	5,796	37,296	37,296	-
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>214,343</u>	<u>30,357</u>	<u>244,700</u>	<u>234,108</u>	<u>10,592</u>
Undistributed Expenditures - Security:					
Salaries	77,494		77,494	74,082	3,412
Purchased Professional and Technical Services	62,000	(1,500)	60,500	50,524	9,976
Cleaning, Repair, and Maintenance Services		7,213	7,213	5,660	1,553
General Supplies	10,000		10,000	1,248	8,752
Total Undistributed Expenditures - Security	<u>149,494</u>	<u>5,713</u>	<u>155,207</u>	<u>131,514</u>	<u>23,693</u>
Total Undistributed Expenditures - Operation and Maintenance Plant Services	<u>3,280,132</u>	<u>74,599</u>	<u>3,354,731</u>	<u>3,050,955</u>	<u>303,776</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd):					
Student Transportation Services:					
Salaries for Pupil Transportation (Home and School) - Reg.	\$ 38,500	\$ 22,654	\$ 61,154	\$ 61,154	
Other Purchased Prof. and Technical Serv.	4,000		4,000	3,500	\$ 500
Cleaning, Repair, and Maintenance Services	5,000	(1,701)	3,299	2,006	1,293
Contracted Services - Aid in Lieu - Non Public School	75,140	(6,992)	68,148	68,148	-
Contracted Services - Aid in Lieu - Charter School	44,200	(200)	44,000	44,000	-
Contracted Services - Aid in Lieu - Choice School	35,360	(8,360)	27,000	27,000	-
Contracted Services - (Home and School) - Vendors	674,495	126,940	801,435	676,921	124,514
Contracted Services - (Not Home and School) - Vendors	117,780		117,780	85,212	32,568
Contracted Services - (Special Education students) - Vendors	505,922	(109,918)	396,004	386,654	9,350
Contracted Services (Regular Education Students) - ESC's	115,000	12,289	127,289	127,289	-
Contracted Services (Special Education Students) - ESC's	420,000	50,807	470,807	470,807	-
Miscellaneous Purchased Services - Transportation	1,000		1,000	345	655
Transportation Supplies	11,500		11,500	6,745	4,755
Other Objects	31,500	6,180	37,680	37,680	-
Total Student Transportation Services	<u>2,079,397</u>	<u>91,699</u>	<u>2,171,096</u>	<u>1,997,461</u>	<u>173,635</u>
Unallocated Benefits:					
Group Insurance	35,000	8,654	43,654	43,411	243
Social Security Contributions	450,000		450,000	431,825	18,175
Pension Contributions - Normal	415,000	25,197	440,197	440,197	-
DCRP Pension Contributions	22,000		22,000	13,157	8,843
Workmen's Compensation	230,732		230,732	230,534	198
Health Benefits	6,159,070	(652,830)	5,506,240	5,402,762	103,478
Tuition Reimbursement	50,000		50,000	21,318	28,682
Other Employee Benefits	202,210	27,770	229,980	229,980	-
Unused Sick Payment to Terminated/Retired Staff	75,000		75,000	46,470	28,530
Total Unallocated Benefits	<u>7,639,012</u>	<u>(591,209)</u>	<u>7,047,803</u>	<u>6,859,654</u>	<u>188,149</u>
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				2,532,137	(2,532,137)
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				61,449	(61,449)
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				5,532	(5,532)
On-behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,675,142	(1,675,142)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,325,468	(1,325,468)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,599,728</u>	<u>(5,599,728)</u>
Total Undistributed Expenditures	<u>22,807,994</u>	<u>(397,802)</u>	<u>22,410,192</u>	<u>26,512,267</u>	<u>(4,102,075)</u>
Interest Earned on Current Expense Emergency Reserve	500	(500)			-
Interest Earned on Current Expense Maintenance Reserve	500	(500)			-
Total Current Expense	<u>38,818,238</u>	<u>511,501</u>	<u>39,329,739</u>	<u>42,819,562</u>	<u>(3,489,823)</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve:	\$ 2,500	\$ (2,500)			
Total Capital Reserve:	2,500	(2,500)	-	-	-
Equipment:					
Regular Programs - Instruction					
Grades 1-5		16,030	\$ 16,030	\$ 16,030	
Grades 6-8		15,213	15,213	4,077	\$ 11,136
Grades 9-12		125,936	125,936	125,936	-
Undistributed Expenditures:					
School Sponsored and Other Instructional Instruction		33,737	33,737	28,807	4,930
Support Serv. - Students - Special	7,900	4,371	4,371	4,365	6
School Administration		6,575	14,475	13,492	983
Central Services		7,920	7,920	7,697	223
Central Services		3,001	3,001	3,001	-
Admin. Info. Technology	2,500	191,129	193,629	121,291	72,338
Custodial Services	10,000		10,000		10,000
Care and Upkeep of Grounds		17,254	17,254	7,497	9,757
Total Equipment	20,400	421,166	441,566	332,193	109,373
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		121,338	121,338	97,129	24,209
Construction Services		851,892	851,892	773,358	78,534
Supplies and Materials	110,000	5,874	115,874	115,874	-
Infrastructure	40,000	(5,874)	34,126	27,636	6,490
Assessment for Debt Service	19,250		19,250	19,250	-
Total Facilities Acquisition and Construction Services	169,250	973,230	1,142,480	1,033,247	109,233
Total Capital Outlay	192,150	1,391,896	1,584,046	1,365,440	218,606

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	\$ 3,000	_____	\$ 3,000	\$ 17,242	\$ (14,242)
Total Summer School - Instruction	3,000	_____	3,000	17,242	(14,242)
Transfer of Funds to Charter School	575,000	_____	575,000	473,299	101,701
Total Expenditures	39,588,388	\$ 1,903,397	41,491,785	44,675,543	(3,183,758)
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(461,959)	(1,291,779)	(1,753,738)	835,455	2,589,193
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund	(623,143)	_____	(623,143)	(623,143)	-
Total Other Financing Sources (Uses)	(623,143)	_____	(623,143)	(623,143)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,085,102)	(1,291,779)	(2,376,881)	212,312	2,589,193
Fund Balances, July 1	934,815	38,949	973,764	5,715,655	4,741,891
Fund Balances, June 30	\$ (150,287)	\$ (1,252,830)	\$ (1,403,117)	\$ 5,927,967	\$ 7,331,084
Recapitulation:					
Restricted:					
Capital Reserve				\$ 2,942,392	
Emergency Reserve				61,325	
Maintenance Reserve				250,500	
Excess Surplus				684,143	
Excess Surplus--Designated for Subsequent Year's Expenditures				636,859	
Assigned:					
Year-End Encumbrances				520,396	
Unassigned				832,352	
				5,927,967	
Reconciliation to Governmental Funds Statements(GAAP):				(2,543,378)	
Last 17-18 State Aid Payment Not Recognized on GAAP Basis				_____	
				\$ 3,384,589	

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<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:					
Lowe's Education Grant	<u> </u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ -</u>
Total - Local Sources	<u> </u>	<u> 6</u>	<u> 6</u>	<u> 6</u>	<u> -</u>
State Sources:					
Preschool Program Aid	<u>\$ 1,184,147</u>	<u> </u>	<u> 1,184,147</u>	<u> 1,179,768</u>	<u> (4,379)</u>
Total - State Sources	<u> 1,184,147</u>	<u> </u>	<u> 1,184,147</u>	<u> 1,179,768</u>	<u> (4,379)</u>
Federal Sources:					
Title I	1,210,666	337,571	1,548,237	1,438,211	(110,026)
Title I SIA		263,581	263,581	107,748	(155,833)
Title IIA	61,546	58,423	119,969	114,375	(5,594)
Title III	143,870	45,209	189,079	163,440	(25,639)
Title III Immigrant		13,444	13,444	13,444	-
Title IV		19,175	19,175	7,047	(12,128)
I.D.E.A., Part B	572,542	125,853	698,395	698,395	-
I.D.E.A., Part B, Preschool		31,869	31,869	29,864	(2,005)
Preschool Expansion	902,899	8,435	911,334	752,240	(159,094)
Temporary Emergency Impact Aid		<u>12,750</u>	<u>12,750</u>	<u>12,750</u>	<u> -</u>
Total - Federal Sources	<u> 2,891,523</u>	<u> 916,310</u>	<u> 3,807,833</u>	<u> 3,337,514</u>	<u> (470,319)</u>
Total Revenues	<u> 4,075,670</u>	<u> 916,316</u>	<u> 4,991,986</u>	<u> 4,517,288</u>	<u> (474,698)</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,821,026	\$ 68,371	\$ 1,889,397	\$ 1,646,182	\$ 243,215
Other Salaries for Instruction	262,475	(10,334)	252,141	231,906	20,235
Purchased Professional and Educational Services	87,084	94,926	182,010	175,925	6,085
Other Purchased Services (400-500 Series)	35,699	(31,665)	4,034	4,034	-
General Supplies	115,442	292,391	407,833	374,106	33,727
Tuition	572,542	125,853	698,395	698,395	-
Total Instruction	<u>2,894,268</u>	<u>539,542</u>	<u>3,433,810</u>	<u>3,130,548</u>	<u>303,262</u>
Support Services:					
Salaries Personnel Services	444,364	55,245	499,609	460,770	38,839
Personnel Services - Employee Benefits	875,047	155,909	1,030,956	990,612	40,344
Purchased Professional Educational Services	256,432	79,026	335,458	290,984	44,474
Cleaning, Repair, and Maintenance Services	93,000	(21,413)	71,587	63,993	7,594
Rentals	58,946	1,493	60,439	58,630	1,809
Other Purchased Services (400-500 series)	19,600	79,251	98,851	79,317	19,534
Contracted Services - Trans (Bet. Home & School)	40,405	12,651	53,056	40,247	12,809
Supplies and Materials	16,751.00	14,612	31,363	25,330	6,033
Total Support Services	<u>1,804,545</u>	<u>376,774</u>	<u>2,181,319</u>	<u>2,009,883</u>	<u>171,436</u>
Total Expenditures	<u>4,698,813</u>	<u>916,316</u>	<u>5,615,129</u>	<u>5,140,431</u>	<u>474,698</u>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	623,143		623,143	623,143	-
Total Outflows	<u>4,075,670</u>	<u>916,316</u>	<u>4,991,986</u>	<u>4,517,288</u>	<u>474,698</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2018

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	\$ 45,510,998	\$ 4,517,288
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		(203,752)
Prior Year		22,537
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)	2,415,941	118,342
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>(2,543,378)</u>	<u>(118,342)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 45,383,561</u>	<u>\$ 4,336,073</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 44,675,543	\$ 5,140,431
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		(203,752)
Prior Year		22,537
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 44,675,543</u>	<u>\$ 4,959,216</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 Five Plan Years

	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0468293592%	0.0451968095%	0.0444988772%	0.0444136834%	0.0456354772%
School District's Proportionate Share of the Net Pension Liability	\$ 10,901,126	\$ 13,385,999	\$ 9,989,106	\$ 8,315,456	\$ 8,721,846
School District's Covered Payroll (Plan Measurement Period)	\$ 3,393,920	\$ 3,251,996	\$ 3,629,444	\$ 3,187,508	\$ 3,315,292
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	321.20%	411.62%	275.22%	260.88%	263.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	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 Five Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 437,410	\$ 433,824	\$ 401,522	\$ 382,571	\$ 366,140
Contributions in Relation to the Contractually Required Contribution	<u>(437,410)</u>	<u>(433,824)</u>	<u>(401,522)</u>	<u>(382,571)</u>	<u>(366,140)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 2,945,758	\$ 3,106,987	\$ 3,180,675	\$ 3,071,251	\$ 3,050,796
Contributions as a Percentage of School District's Covered Payroll	14.85%	13.96%	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 Five Plan Years

	<u>Measurement Date Ending June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	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>	<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>113,526,980</u>	<u>126,866,345</u>	<u>103,578,894</u>	<u>86,733,626</u>	<u>85,033,581</u>
	<u>\$ 113,526,980</u>	<u>\$ 126,866,345</u>	<u>\$ 103,578,894</u>	<u>\$ 86,733,626</u>	<u>\$ 85,033,581</u>
School District's Covered Payroll (Plan Measurement Date)	\$ 20,713,536	\$ 20,241,348	\$ 19,269,780	\$ 19,214,192	\$ 18,549,680
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	548.08%	626.77%	537.52%	451.40%	458.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	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 Ten Fiscal Years

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, 2018

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 4.25% and the long-term expected rate of return changed to 7.00%. For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65% from 7.90%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Plan Year

	Measurement Date Ending <u>June 30,</u> <u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District	
Changes for the Year:	
Service Cost	\$ 4,307,939
Interest Cost	3,024,155
Changes in Assumptions	(12,908,190)
Gross Benefit Payments	(2,204,056)
Member Contributions	<u>81,159</u>
Net Change in Total Non-Employer OPEB Liability	(7,698,993)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>102,856,747</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u><u>\$ 95,157,754</u></u>
School District's Covered Payroll (Plan Measurement Period)	<u><u>\$ 21,152,374</u></u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	449.87%

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
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2018

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017

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, 2018

	<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>Lowes' Education Grant</u>	<u>Total Brought Forward</u>
REVENUES:								
Local Sources	\$ 6						\$ 6	
State Sources	1,179,768	\$ 1,179,768						
Federal Sources	3,337,514		\$ 752,240	\$ 1,438,211	\$ 114,375	\$ 163,440		\$ 869,248
Total Revenues	\$ 4,517,288	\$ 1,179,768	\$ 752,240	\$ 1,438,211	\$ 114,375	\$ 163,440	\$ 6	\$ 869,248
EXPENDITURES:								
Instruction:								
Salaries of Teachers	\$ 1,646,182	\$ 513,109	\$ 180,249	\$ 839,326	\$ 50,148	\$ 48,261		\$ 15,089
Other Salaries for Instruction	231,906	193,213	38,693					-
Purchased Professional and Educational Services	175,925	98,490	35,820	41,615				-
Other Purchased Services (400-500 series)	4,034	2,958	1,076					-
General Supplies	374,106	22,523	28,899	148,720		76,492	\$ 6	97,466
Tuition	698,395							698,395
Total Instruction	3,130,548	830,293	284,737	1,029,661	50,148	124,753	6	810,950
Support Services:								
Other Salaries	460,770	293,567	149,267	9,383		2,530		6,023
Personnel Services - Employee Benefits	990,612	342,236	233,577	337,362	41,505	8,805		27,127
Purchased Professional - Educational Services	290,984	215,307	35,148	4,600	14,400	7,200		14,329
Cleaning, Repair, and Maintenance Services	63,993	46,926	17,067					-
Rentals	58,630	42,993	15,637					-
Other Purchased Services (400-500 series)	79,317			51,658	8,322	19,337		-
Contracted Services - Trans (Bet. Home & School)	40,247	25,613	14,634					-
Supplies and Materials	25,330	5,976	2,173	5,547		815		10,819
Total Support Services	2,009,883	972,618	467,503	408,550	64,227	38,687		58,298
Total Expenditures	5,140,431	1,802,911	752,240	1,438,211	114,375	163,440	6	869,248
Other Financing Sources (Uses):								
Transfer from Operating Budget - Pre K	623,143	623,143						-
Total Outflows	4,517,288	1,179,768	752,240	1,438,211	114,375	163,440	6	869,248
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2018

	Total Carried <u>Forward</u>	Title III <u>Immigrant</u>	I.D.E.A. Part B <u>Basic</u>	I.D.E.A. <u>Preschool</u>	Title I SIA	Title IV	Temporary <u>Impact Aid</u>
REVENUES:							
Local Sources							
State Sources							
Federal Sources	\$ 869,248	\$ 13,444	\$ 698,395	\$ 29,864	\$ 107,748	\$ 7,047	\$ 12,750
Total Revenues	<u>\$ 869,248</u>	<u>\$ 13,444</u>	<u>\$ 698,395</u>	<u>\$ 29,864</u>	<u>\$ 107,748</u>	<u>\$ 7,047</u>	<u>\$ 12,750</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 15,089	\$ 11,645		\$ 3,444			
Other Salaries for Instruction	-						
Purchased Professional and Educational Services	-						
Other Purchased Services (400-500 series)	-						
General Supplies	97,466				\$ 97,466		
Tuition	698,395		\$ 698,395				
Total Instruction	<u>810,950</u>	<u>11,645</u>	<u>698,395</u>	<u>3,444</u>	<u>97,466</u>	<u>-</u>	<u>-</u>
Support Services:							
Other Salaries	6,023			6,023			
Personnel Services - Employee Benefits	27,127	1,799		12,578			\$ 12,750
Purchased Professional - Educational Services	14,329				7,282	\$ 7,047	
Cleaning, Repair, and Maintenance Services	-						
Rentals	-						
Other Purchased Services (400-500 series)	-						
Contracted Services - Trans (Bet. Home & School)	-						
Supplies and Materials	10,819			7,819	3,000		
Total Support Services	<u>58,298</u>	<u>1,799</u>	<u>-</u>	<u>26,420</u>	<u>10,282</u>	<u>7,047</u>	<u>12,750</u>
Total Expenditures	<u>869,248</u>	<u>13,444</u>	<u>698,395</u>	<u>29,864</u>	<u>107,748</u>	<u>7,047</u>	<u>12,750</u>
Other Financing Sources (Uses):							
Transfer from Operating Budget - Pre K	-						
Total Outflows	<u>869,248</u>	<u>13,444</u>	<u>698,395</u>	<u>29,864</u>	<u>107,748</u>	<u>7,047</u>	<u>12,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 513,109	\$ 513,109	
Other Salaries for Instruction	193,213	193,213	
Purchased Professional and Educational Services	98,973	98,490	\$ 483
Other Purchased Services	2,958	2,958	-
General Supplies	22,523	22,523	-
Total instruction	<u>830,776</u>	<u>830,293</u>	<u>483</u>
Support services			
Salaries of Supervisors of Instruction	84,199	84,199	-
Other Support Salaries	209,368	209,368	-
Personal Services - Employee Benefits	342,236	342,236	-
Purchased Educational Services	215,774	215,307	467
Cleaning, Repair & Maintenance Services	50,355	46,926	3,429
Rentals	42,993	42,993	-
Contracted Services - Transportation (Bet. Home & School)	25,613	25,613	-
Supplies & Materials	5,976	5,976	-
Total support services	<u>976,514</u>	<u>972,618</u>	<u>3,896</u>
Total expenditures	<u>\$ 1,807,290</u>	<u>\$ 1,802,911</u>	<u>\$ 4,379</u>

Calculation of Budget and Carryover

Total Revised 2017-2018 Preschool Education Aid Allocation	\$ 1,183,420
Add: Actual ECPA Carryover (June 30, 2017)	201,863
Add: Budgeted Transfer from the General Fund 2017-18	<u>623,143</u>
Total Preschool Education Aid Funds Available for 2017-18 Budget	2,008,426
Less: 2017-18 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(1,807,290)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2018	201,136
Add: 2017-18 Unexpended Preschool Education Aid	4,379
Less: 2017-18 Commissioner Approved Transfer to General Fund	<u>-</u>
2017-2018 Carryover -- Preschool Education Aid	<u>\$ 205,515</u>
2017-18 Preschool Education Aid Carryover Budgeted in 2018-19	<u>\$ 201,863</u>

PROPRIETARY FUND

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Proprietary Fund
Statement of Net Position
June 30, 2018

	Business-Type Activities - <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 384,095
Accounts Receivable:	
State	1,544
Federal	120,383
Inventories	<u>16,159</u>
Total Current Assets	<u>522,181</u>
Noncurrent Assets:	
Equipment	871,842
Less Accumulated Depreciation	<u>(471,888)</u>
Total Noncurrent Assets	<u>399,954</u>
Total Assets	<u>922,135</u>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable	210
Accounts Payable	<u>27,724</u>
Total Current Liabilities	<u>27,934</u>
NET POSITION:	
Net Investment in Capital Assets	399,954
Unrestricted	<u>494,247</u>
Total Net Position	<u><u>\$ 894,201</u></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, 2018

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 133,080
Daily Sales - Non-Reimbursable Programs	15,537
Special Functions	<u>7,584</u>
Total Operating Revenues	<u>156,201</u>
OPERATING EXPENSES:	
Salaries	510,676
Employee Benefits	104,116
Supplies and Materials	81,377
Cost of Sales - Reimbursable Programs	881,428
Cost of Sales - Non-Reimbursable Programs	11,303
Other Purchased Professional Services	4,870
Management Fee	85,473
Repairs and Maintenance	7,390
Depreciation	36,408
Loss on Disposal of Equipment	<u>239</u>
Total Operating Expenses	<u>1,723,280</u>
Operating Income (Loss)	<u>(1,567,079)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	19,884
Federal Sources:	
Healthy Hunger Free Kids Program	21,999
Fresh Fruits & Vegetables Program	42,693
National School Lunch Program	1,018,363
School Breakfast Program	446,474
Summer Feeding Program	11,744
United States Department of Agriculture Commodities	108,762
Interest and Investment Revenue	<u>1,527</u>
Total Nonoperating Revenues	<u>1,671,446</u>
Change in Net Position	104,367
Total Net Position -- July 1	<u>789,834</u>
Total Net Position -- June 30	<u>\$ 894,201</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 156,201
Payments to Employees	(510,676)
Payments for Employee Benefits	(104,116)
Payments to Suppliers	<u>(947,667)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,406,258)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash Received from Federal and State Reimbursements	<u>1,543,512</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,543,512</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	<u>(25,701)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(25,701)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>1,527</u>
Net Cash Provided by (used for) Investing Activities	<u>1,527</u>
Net Increase (Decrease) in Cash and Cash Equivalents	113,080
Cash and Cash Equivalents -- July 1	<u>271,015</u>
Cash and Cash Equivalents -- June 30	<u>\$ 384,095</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,567,079)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	36,408
Loss on Disposal of Equipment	239
Federal Commodities	108,762
(Increase) Decrease in Inventories	(1,778)
Increase (Decrease) in Other Current Liabilities	<u>17,190</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,406,258)</u>

FIDUCIARY FUNDS

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2018

	<u>Private Purpose Trust Funds</u>			<u>Agency Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	<u>Total Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
ASSETS:						
Cash and Cash Equivalents	\$ 347,979	\$ 1,220	\$ 349,199	\$ 79,300	\$ 238,194	\$ 317,494
Total Assets	<u>347,979</u>	<u>1,220</u>	<u>349,199</u>	<u>\$ 79,300</u>	<u>\$ 238,194</u>	<u>\$ 317,494</u>
LIABILITIES:						
Payable to Student Groups				\$ 79,300		\$ 79,300
Payroll Deductions and Withholdings					\$ 238,194	\$ 238,194
Total Liabilities				<u>\$ 79,300</u>	<u>\$ 238,194</u>	<u>\$ 317,494</u>
NET POSITION:						
Held in Trust for Unemployment Claims and Other Purposes	<u>347,979</u>	<u>1,220</u>	<u>349,199</u>			
Total Net Position	<u>\$ 347,979</u>	<u>\$ 1,220</u>	<u>\$ 349,199</u>			

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2018

	<u>Private Purpose Trust Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	
ADDITIONS:			
Contributions:			
Employee Withholdings	\$ 41,747		\$ 41,747
Total Contributions	41,747	-	41,747
Investment Earnings:			
Interest	2,092	\$ 8	2,100
Net Investment Earnings	2,092	8	2,100
Total Additions	43,839	8	43,847
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	94,212		94,212
Scholarships Awarded		1,000	1,000
Total Deductions	94,212	1,000	95,212
Change in Net Position	(50,373)	(992)	(51,365)
Net Position -- July 1	398,352	2,212	400,564
Net Position -- June 30	\$ 347,979	\$ 1,220	\$ 349,199

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2018

	<u>Balance June 30, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
Elementary Schools	\$ 5,784	\$ 49,943	\$ 50,135	\$ 5,592
Middle School	13,174	34,890	36,190	11,874
High School	55,663	174,390	188,644	41,409
Athletics	<u>30,265</u>	<u>20,738</u>	<u>30,578</u>	<u>20,425</u>
Total All Schools	<u>\$ 104,886</u>	<u>\$ 279,961</u>	<u>\$ 305,547</u>	<u>\$ 79,300</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 29,937	\$ 10,466,748	\$ 10,258,491	\$ 238,194
Total Assets	<u>\$ 29,937</u>	<u>\$ 10,466,748</u>	<u>\$ 10,258,491</u>	<u>\$ 238,194</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 29,937	\$ 10,466,748	\$ 10,258,491	\$ 238,194
Total Liabilities	<u>\$ 29,937</u>	<u>\$ 10,466,748</u>	<u>\$ 10,258,491</u>	<u>\$ 238,194</u>

LONG-TERM DEBT

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	<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	\$ 836,317		\$ 836,317	\$ 836,318	\$ 1
Total - Local Sources	836,317		836,317	836,318	1
State Sources:					
Debt Service Aid Type II	643,506		643,506	643,506	-
Total Revenues	1,479,823	-	1,479,823	1,479,824	1
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	353,644		353,644	353,644	-
Redemption of Principal	1,130,000		1,130,000	1,130,000	-
Total Regular Debt Service	1,483,644	-	1,483,644	1,483,644	-
Total Expenditures	1,483,644	-	1,483,644	1,483,644	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,821)		(3,821)	(3,820)	1
Fund Balance, July 1	3,821		3,821	3,821	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 1	\$ 1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ 3,821	\$ -	\$ 3,821	\$ 3,821	\$ -

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2018</u>	<u>2017</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>
Governmental Activities										
Net Investment in Capital Assets	\$ 16,794,196	\$ 15,505,788	\$ 14,768,369	\$ 10,493,273	\$ 7,918,970	\$ 7,275,595	\$ 6,983,436	\$ 5,554,417	\$ 5,139,472	\$ 5,296,747
Restricted	4,575,220	3,733,814	4,354,541	7,319,463	9,035,690	3,954,658	3,348,540	2,776,274	2,504,335	3,977,190
Unrestricted (Deficit)	(12,374,742)	(11,248,716)	(11,297,897)	(10,999,248)	(1,848,835)	(1,560,868)	(1,350,195)	(789,456)	(2,222,237)	(2,411,268)
Total Governmental Activities Net Position	\$ 8,994,674	\$ 7,990,886	\$ 7,825,013	\$ 6,813,488	\$ 15,105,825	\$ 9,669,385	\$ 8,981,781	\$ 7,541,235	\$ 5,421,570	\$ 6,862,669
Business-type Activities										
Net Investment in Capital Assets	\$ 399,954	\$ 410,900	\$ 410,900	\$ 223,664	\$ 231,683	\$ 127,346	\$ 105,440	\$ 114,833	\$ 133,785	\$ 114,833
Unrestricted	494,247	378,934	378,934	401,367	375,457	459,043	440,081	381,242	298,677	292,802
Total Business-type Activities Net Position	\$ 894,201	\$ 789,834	\$ 789,834	\$ 625,031	\$ 607,140	\$ 586,389	\$ 545,521	\$ 496,075	\$ 432,462	\$ 407,635
District-wide										
Net Investment in Capital Assets	\$ 17,194,150	\$ 15,916,688	\$ 15,179,269	\$ 10,716,937	\$ 8,150,653	\$ 7,402,941	\$ 7,088,876	\$ 5,669,250	\$ 5,273,257	\$ 5,464,939
Restricted	4,575,220	3,733,814	4,354,541	7,319,463	9,035,690	3,954,658	3,348,540	2,776,274	2,504,335	3,977,190
Unrestricted (Deficit)	(11,880,495)	(10,869,782)	(10,918,963)	(10,597,881)	(1,473,378)	(1,101,825)	(910,114)	(408,214)	(1,923,560)	(2,118,466)
Total District-wide Net Position	\$ 9,888,875	\$ 8,780,720	\$ 8,614,847	\$ 7,438,519	\$ 15,712,965	\$ 10,255,774	\$ 9,527,302	\$ 8,037,310	\$ 5,854,032	\$ 7,323,663

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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 12,034,261	\$ 11,050,899	\$ 11,261,969	\$ 11,057,667	\$ 14,907,622	\$ 14,826,688	\$ 14,897,891	\$ 14,661,654	\$ 15,632,833	\$ 14,509,452
Special Education	3,666,716	3,588,950	3,344,041	3,248,086	4,248,533	3,870,092	3,996,133	3,729,694	3,640,152	3,365,958
Other Special Education	3,655,361	3,358,450	3,093,573	2,498,004	3,615,204	4,075,205	3,158,930	2,801,838	2,679,673	2,479,861
Support Services:										
Tuition	2,499,250	2,889,140	2,644,095	2,729,627	2,932,045	2,770,487	2,443,259	2,181,191	2,141,219	2,037,096
Student & Instruction Related Services	5,358,642	5,173,429	4,964,134	4,329,966	5,541,569	5,597,494	5,432,045	5,809,206	5,733,728	5,305,871
General and Business Administrative Services	565,254	594,395	629,492	608,154	761,716	810,175	632,440	813,817	930,570	1,193,466
School Administrative Services	1,714,766	1,772,684	1,758,550	1,744,404	2,271,374	2,158,628	2,101,350	2,072,514	2,034,921	1,770,860
Business Administrative Services	641,174	778,629	915,932	926,255	1,139,684	1,149,903	1,228,372	1,194,263	1,324,154	1,179,771
Plant Operations and Maintenance	3,309,311	3,445,377	3,292,293	3,506,721	4,427,868	4,386,444	4,589,609	4,667,562	4,898,187	4,422,962
Pupil Transportation	2,129,484	2,218,096	2,115,856	2,013,381	2,046,297	2,112,168	1,728,714	1,548,395	1,700,853	1,570,558
Unallocated	23,435,443	21,230,947	11,906,972	11,091,851						
Special Schools	490,541	475,397	330,703	305,972	252,410	163,701	14,023	39,213	99,156	59,065
Payment of Bond Issue Costs				149,148						
Interest on Long-term Debt	265,466	300,619	316,185	612,838	600,023	842,937	721,522	775,353	1,047,622	1,134,991
Total Governmental Activities Expenses	59,765,669	59,765,669	46,573,795	44,822,074	42,744,345	42,763,922	40,944,288	40,294,700	41,863,068	39,029,911
Business-type Activities:										
Food Service	1,723,280	1,675,577	1,646,981	1,522,209	1,448,127	1,363,897	1,156,489	1,070,533	1,112,903	1,017,060
Total Business-type Activities Expense	1,723,280	1,675,577	1,646,981	1,522,209	1,448,127	1,363,897	1,156,489	1,070,533	1,112,903	1,017,060
Total District Expenses	\$ 61,488,949	\$ 61,441,246	\$ 48,220,776	\$ 46,344,283	\$ 44,192,472	\$ 44,127,819	\$ 42,100,777	\$ 41,365,233	\$ 42,975,971	\$ 40,046,971

(Continued)

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

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 702,160	\$ 985,391	\$ 942,735	\$ 829,453	\$ 714,384	\$ 445,471	\$ 248,950			
Operating Grants and Contributions	13,912,617	4,152,076	4,355,974	3,413,755	3,163,698	3,235,505	3,024,786	\$ 4,072,089	\$ 3,410,852	\$ 2,814,977
Total Governmental Activities Program Revenues	<u>14,614,777</u>	<u>5,137,467</u>	<u>5,298,709</u>	<u>4,243,208</u>	<u>3,878,082</u>	<u>3,680,976</u>	<u>3,273,736</u>	<u>4,072,089</u>	<u>3,410,852</u>	<u>2,814,977</u>
Business-type activities:										
Charges for services:										
Food Service	156,201	150,704	179,476	176,169	177,684	202,231	217,735	189,935	241,376	260,033
Operating Grants and Contributions	1,669,919	1,652,076	1,503,593	1,363,103	1,290,015	1,199,912	984,891	941,095	842,938	749,623
Total Business-type Activities Program Revenues	<u>1,826,120</u>	<u>1,802,780</u>	<u>1,683,069</u>	<u>1,539,272</u>	<u>1,467,699</u>	<u>1,402,143</u>	<u>1,202,626</u>	<u>1,131,030</u>	<u>1,084,314</u>	<u>1,009,656</u>
Total District Program Revenues	<u>\$ 16,440,897</u>	<u>\$ 6,940,247</u>	<u>\$ 6,981,778</u>	<u>\$ 5,782,480</u>	<u>\$ 5,345,781</u>	<u>\$ 5,083,119</u>	<u>\$ 4,476,362</u>	<u>\$ 5,203,119</u>	<u>\$ 4,495,166</u>	<u>\$ 3,824,633</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (45,150,892)	\$ (54,628,202)	\$ (41,275,086)	\$ (40,578,866)	\$ (38,866,263)	\$ (39,082,946)	\$ (37,670,552)	\$ (36,222,611)	\$ (38,452,216)	\$ (36,214,934)
Business-type Activities	102,840	127,203	36,088	17,063	19,572	38,246	46,137	60,497	(28,589)	(7,404)
Total District-wide Net Expense	<u>\$ (45,048,052)</u>	<u>\$ (54,500,999)</u>	<u>\$ (41,238,998)</u>	<u>\$ (40,561,803)</u>	<u>\$ (38,846,691)</u>	<u>\$ (39,044,700)</u>	<u>\$ (37,624,415)</u>	<u>\$ (36,162,114)</u>	<u>\$ (38,480,805)</u>	<u>\$ (36,222,338)</u>

(Continued)

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

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 13,115,644	\$ 12,786,888	\$ 11,702,827	\$ 10,983,163	\$ 10,522,709	\$ 10,316,381	\$ 10,537,989	\$ 11,010,144	\$ 10,721,531	\$ 11,290,216
Taxes Levied for Debt Service	836,318	843,788	963,260	1,049,162	1,053,069	1,076,444	1,087,673	1,085,298	961,536	1,011,929
Unrestricted Grants and Contributions	31,515,158	37,565,875	28,945,991	28,319,499	27,913,659	27,611,057	26,664,844	24,484,800	25,826,751	23,530,875
Restricted State Aid	643,506	648,975	632,611	595,838	4,689,478	722,141	689,518	1,410,480	866,829	1,154,746
Tuition Received	23,415	18,349	17,321	13,589		27,521	35,213	48,600	93,375	98,452
Miscellaneous Income	20,639	41,543	24,601	47,124	106,343	17,006	95,861	56,991	(1,461,542)	175,830
Total Governmental Activities	46,154,680	51,905,418	42,286,611	41,008,375	44,302,703	39,770,550	39,111,098	38,096,313	37,011,117	37,275,174
Business-type Activities:										
Investment Earnings	1,527	789	723	828	1,179	2,622	3,309	3,116	57	494
Total Business-type Activities	1,527	789	723	828	1,179	2,622	3,309	3,116	57	494
Total District-wide	\$ 46,156,207	\$ 51,906,207	\$ 42,287,334	\$ 41,009,203	\$ 44,303,882	\$ 39,773,172	\$ 39,114,407	\$ 38,099,429	\$ 37,011,174	\$ 37,275,668
Change in Net Position										
Governmental Activities	\$ 1,003,788	\$ (2,722,784)	\$ 1,011,525	\$ 429,509	\$ 5,436,440	\$ 687,604	\$ 1,440,546	\$ 1,873,702	\$ (1,441,099)	\$ 1,060,240
Business-type Activities	104,367	127,992	36,811	17,891	20,751	40,868	49,446	63,613	(28,532)	(6,910)
Total District	\$ 1,108,155	\$ (2,594,792)	\$ 1,048,336	\$ 447,400	\$ 5,457,191	\$ 728,472	\$ 1,489,992	\$ 1,937,315	\$ (1,469,631)	\$ 1,053,330

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>2018</u>	<u>2017</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>
General Fund										
Restricted	\$ 5,095,615	\$ 4,647,405	\$ 4,453,435	\$ 3,555,734	\$ 4,257,189	\$ 4,776,115	\$ 4,290,449	\$ 3,391,259	\$ 2,495,139	\$ 3,655,461
Unassigned (Deficit)	(1,711,026)	(1,627,268)	(1,640,050)	(1,621,331)	(1,548,474)	(1,533,581)	(1,458,232)	(1,373,678)	(1,443,455)	(1,522,296)
Total General Fund	\$ 3,384,589	\$ 3,020,137	\$ 2,801,893	\$ 1,934,403	\$ 2,708,715	\$ 3,242,534	\$ 2,832,217	\$ 2,017,581	\$ 1,051,684	\$ 2,133,165
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	\$ 1	\$ 3,821	3,821							
Unassigned (Deficit), Reported in:										
Special Revenue Fund	(118,342)	(118,342)	(118,342)	(99,540)	(87,374)	\$ (73,284)	(68,750)	(64,520)	(30,706)	(30,706)
Debt Service Fund										5,208
Total All Other Governmental Funds	\$ (118,341)	\$ (114,521)	\$ 77,493	\$ 4,033,420	\$ 5,227,455	\$ (73,284)	\$ (47,354)	\$ 823,380	\$ (21,510)	\$ 291,023

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>2018</u>	<u>2017</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>
Revenues										
Tax Levy	\$ 13,951,962	\$ 13,630,676	\$ 12,666,087	\$ 12,032,325	\$ 11,575,778	\$ 11,392,825	\$ 11,625,662	\$ 12,095,442	\$ 11,683,067	\$ 12,302,145
Tuition Charges	23,415	18,349	17,321	13,589	17,445	27,521	35,213	48,600	2,637	98,452
Interest Earnings	702,160	985,391	942,735	829,453	714,384	445,471	248,950	245,963	93,375	13,126
Miscellaneous	27,184	41,543	24,601	47,124	106,343	17,006	95,861	56,991	52,264	175,830
Local Sources	7,695	4,305								
State Sources	33,202,615	31,431,730	30,599,027	29,776,034	33,256,663	28,907,735	27,182,673	26,634,488	22,793,570	24,938,988
Federal Sources	3,284,427	3,292,579	3,335,549	2,553,058	2,510,172	2,660,968	3,196,475	3,332,881	7,310,862	2,561,610
Total Revenue	51,199,458	49,404,573	47,585,320	45,251,583	48,180,785	43,451,526	42,384,834	42,414,365	41,935,775	40,090,151
Expenditures										
Instruction										
Regular Instruction	11,579,946	10,578,399	10,800,858	10,556,630	10,359,195	10,271,887	10,754,950	10,566,790	11,642,002	10,661,565
Special Education Instruction	3,533,018	3,452,067	3,208,234	3,129,233	2,983,164	2,672,666	2,869,217	2,704,093	2,719,223	2,513,368
Other Special Instruction	3,533,189	3,243,162	2,980,792	2,414,736	2,628,664	3,095,136	2,391,715	2,209,220	2,147,820	1,982,126
Support Services:										
Tuition	2,499,250	2,889,140	2,644,095	2,729,627	2,932,045	2,770,487	2,443,259	2,181,191	2,141,219	2,037,095
Student & Instruction Related Services	5,157,200	4,967,982	4,758,351	4,167,163	3,927,108	3,984,989	3,959,050	4,362,118	4,395,557	4,066,011
General Administrative Services	540,423	566,997	598,458	581,890	524,271	559,029	452,341	585,307	685,171	889,925
School Administrative Services	1,639,440	1,690,975	1,671,853	1,669,070	1,563,332	1,489,475	1,502,951	1,490,578	1,498,295	1,320,467
Central Services	431,976	482,886	490,595	609,176	735,148	728,578	734,106	653,911	750,673	550,517
Administrative Information Technology	209,198	295,743	425,337	317,079	404,536	421,325	494,266	540,352	573,481	629,254
Plant Operations and Maintenance	3,169,131	3,292,137	3,136,489	3,359,547	3,047,595	3,026,691	3,282,631	3,356,968	3,606,494	3,298,044
Pupil Transportation	2,037,708	2,117,629	2,014,907	1,927,573	1,408,417	1,457,417	1,236,430	1,113,625	1,252,324	1,171,109
Unallocated Employee Benefits	13,449,994	12,724,648	11,667,638	11,066,918	10,113,239	10,081,155	9,155,652	8,359,543	8,273,407	7,446,227
Special Schools	490,541	475,397	330,703	305,972	252,410	163,701	14,023	39,213	99,156	59,065
Capital Outlay	1,344,495	821,083	4,309,536	2,712,019	730,560	546,018	1,329,668	626,165	1,711,394	497,654
Debt Service:										
Principal	1,130,000	1,105,000	1,200,000	1,345,000	1,155,000	1,145,000	1,115,000	1,055,000	1,035,000	1,080,436
Interest and Other Charges	372,894	407,013	424,419	527,445	600,023	652,743	705,673	759,504	798,573	852,042
Total Expenditures	51,118,403	49,110,258	50,662,265	47,419,078	43,364,707	43,066,297	42,440,932	40,603,578	43,329,789	39,054,905
Excess (Deficiency) of Revenues Over (Under) Expenditures	81,055	294,315	(3,076,945)	(2,167,495)	4,816,078	385,229	(56,098)	1,810,787	(1,394,014)	1,035,246
Other Financing Sources (Uses)										
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	623,143	811,288	589,358	1,197,074	1,942,606	349,237				105,858
Transfers Out	(623,143)	(811,288)	(589,358)	(1,197,074)	(1,942,606)	(349,237)				(105,858)
Total Other Financing Sources (Uses)	-	-	-	149,148	-	-	-	-	-	-
Net Change in Fund Balances	\$ 81,055	\$ 294,315	\$ (3,076,945)	\$ (2,018,347)	\$ 4,816,078	\$ 385,229	\$ (56,098)	\$ 1,810,787	\$ (1,394,014)	\$ 1,035,246
Debt Service as a Percentage of Noncapital Expenditures	3.1%	3.1%	3.5%	4.2%	4.1%	4.2%	4.4%	4.5%	4.4%	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>2018</u>	<u>2017</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>
Interest on Investments	\$ 23,415	\$ 18,349	\$ 17,321	\$ 13,589	\$ 17,445	\$ 27,521	\$ 35,213	\$ 48,600	\$ 2,637	\$ 13,126
Tuition	702,160	985,391	942,735	829,453	714,384	445,471	248,950	245,963	93,375	
Refunds of Prior Year Expenditures										57,713
Miscellaneous	27,184	32,676	24,601	43,304	106,343	17,006	95,861	56,991	52,264	118,117
	<u>\$ 752,759</u>	<u>\$ 1,036,416</u>	<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>

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 Year Ended 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)
2017	\$ 7,319,300	\$ 394,584,400	-	-	\$ 53,530,300	\$ 2,179,600	\$ 135,182,200	\$ 592,795,800	\$ 200	\$ 592,796,000	\$ 117,500	\$ 582,486,001	\$ 2.326
2016	6,758,200	395,779,700	-	-	54,145,900	2,179,600	134,653,300	593,516,700	200	593,516,900	160,600	607,924,716	2.215
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

(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	
2017	\$ 2.185	\$ 0.142	\$ 2.326	\$ -	\$ 1.613	\$ 1.041	\$ 4.980
2016	2.063	0.152	2.215	-	1.575	0.906	4.696
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

(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	2017			2007		
	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	4.05%	\$ 16,878,100	1	3.94%
Coachman Manor, LLC	13,725,000	3	2.36%	11,668,900	2	2.72%
Coolidge Stonington Court Associates	15,000,000	2	2.58%	10,000,000	3	2.33%
Colonial Pines				9,436,900	4	2.20%
Trent Court	11,350,000	4	1.95%	9,000,000	5	2.10%
Timber Ridge, LLC	11,100,000	5	1.91%	6,691,100	6	1.56%
East Coast Pines at Arborwood, LLC	10,528,000	6	1.81%			
Kingswold Limited Partnership	8,500,000	7	1.46%	4,771,700	8	1.11%
Heathers Realty, LLC	7,070,200	8	1.21%	5,315,800	7	1.24%
Birchwood Quail	6,695,000	9	1.15%			
Lindenwold PH, LP	5,000,000	10	0.86%	4,200,000	9	0.98%
Scandia Realty, LLC				3,716,700	10	0.87%
Total	\$ 112,568,200		19.33%	\$ 81,679,200		19.05%

Source: Municipal Tax Assessor

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

<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>	
2018	\$ 13,115,644	\$ 13,115,644	100.00%	-
2017	12,786,884	12,786,884	100.00%	-
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%	-

(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,	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		Total District	Percentage of	
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Personal Income (2)		Per Capita (2)	
2018	\$ 7,675,000	-	-	-	-	\$ 7,675,000	1.93%	\$ 439	
2017	8,805,000	-	-	-	-	8,805,000	2.21%	503	
2016	9,910,000	-	-	-	-	9,910,000	2.49%	567	
2015	11,110,000	-	-	-	-	11,110,000	2.79%	636	
2014	13,100,000	-	-	-	-	13,100,000	3.29%	750	
2013	14,255,000	-	-	-	-	14,255,000	3.56%	812	
2012	15,400,000	-	-	-	-	15,400,000	3.84%	876	
2011	16,515,000	-	-	-	-	16,515,000	4.11%	938	
2010	17,570,000	-	-	-	-	17,570,000	5.34%	997	
2009	18,595,000	-	-	-	-	18,595,000	5.66%	1,056	

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 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			
2018	\$ 7,675,000	-	\$ 7,675,000	1.35%	NA
2017	8,805,000	-	8,805,000	1.48%	NA
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

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, 2017
 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	\$ 8,805,000	\$ 8,805,000			
Borough of Lindenwold	10,287,693	3,679,476	\$ 6,608,217	\$ 6,608,217	
	<u>19,092,693</u>	<u>12,484,476</u>	<u>6,608,217</u>	<u>6,608,217</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	36,125,000	8,342,385 (3)	27,782,615	427,852 (5)	\$ 11,960,225
	35,461,125		35,461,125	546,101	
Loan Agreement	314,966,900		314,966,900	4,850,490 (5)	
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>276,594,254</u>	<u>276,594,254 (4)</u>			
	<u>663,147,279</u>	<u>284,936,639</u>	<u>378,210,640</u>	<u>5,824,444</u>	<u>11,960,225</u>
	<u>\$ 682,239,971</u>	<u>\$ 297,421,115</u>	<u>\$ 384,818,856</u>	<u>\$ 12,432,661</u>	<u>\$ 11,960,225</u>

Sources:

- (1) 2017 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 Borough's share of the total 2017 Equalized Value, which is 1.81%.
- The source for this computation was the 2017 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 2018

Equalized valuation basis

	2017	\$ 583,048,035
	2016	608,533,076
	2015	<u>631,730,612</u>
	[A]	<u>\$ 1,823,311,723</u>
Average equalized valuation of taxable property	[A/3]	\$ 607,770,574
Debt limit (4% of average equalization value) (1)	[B]	24,310,823
Total Net Debt Applicable to Limit	[C]	<u>7,675,000</u>
Legal Debt Margin	[B-C]	<u>\$ 16,635,823</u>

	Fiscal Year									
	<u>2018</u>	<u>2017</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>
Debt limit	\$ 24,310,823	\$ 16,536,849	\$ 24,739,627	\$ 25,266,412	\$ 26,423,872	\$ 31,177,432	\$ 31,323,502	\$ 31,953,076	\$ 32,898,070	\$ 30,133,854
Total net debt applicable to limit	<u>7,675,000</u>	<u>8,805,000</u>	<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>
Legal debt margin	<u>\$ 16,635,823</u>	<u>\$ 7,731,849</u>	<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>
Total net debt as a percentage of debt limit	31.57%	53.24%	40.06%	43.97%	49.58%	45.72%	49.16%	51.69%	53.41%	61.74%

(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

<u>Year</u>	<u>Population</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2017	17,471	\$ 398,216,503	\$ 22,793	6.6%
2016	17,491	398,672,363	22,793	6.9%
2015	17,467	398,125,331	22,793	7.1%
2014	17,479	398,398,847	22,793	8.3%
2013	17,478	398,376,054	22,793	10.2%
2012	17,559	400,222,287	22,793	11.1%
2011	17,589	400,906,077	22,793	12.8%
2010	17,613	401,453,109	22,793	11.4%
2009	17,619	328,752,921	18,659	15.3%
2008	17,613	328,640,967	18,659	9.1%

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>2017</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>
McDonalds	60	3	10.49%	75	1	21.55%
Advanced Scale Co.	35	5	6.12%	50	2	14.37%
WaWa	80	2	13.99%	50	3	14.37%
Deterdings Market	38	4	6.64%	48	4	13.79%
William Hall	19	8	3.32%	30	5	8.62%
Walgreens	20	6	3.50%	25	6	7.18%
Vacuum Sales	17	9	2.97%	21	7	6.03%
Pufferbelly				20	8	5.75%
PATCO Lindenwold Station	266	1	46.50%			
Tutor Time Child Care/Learning Center				15	9	4.31%
Forever Young Learning Center	20	7	3.50%			
La Esperanza	17	10	2.97%	14	10	4.02%
	<u>572</u>		<u>100.00%</u>	<u>348</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>2018</u>	<u>2017</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>
Instruction										
Regular	197.6	177.6	168.7	164.1	183.0	205.0	168.5	202.0	202.0	202.0
Special education	94.7	103.3	108.9	100.5	72.5	55.0	85.0	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	1.0	1.0	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	60.0	54.5	43.6	40.3	48.7	44.0	44.5	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	21.8	20.1	22.0	21.0	18.0	19.0	19.0	18.0	18.0	18.0
Business administrative services	6.0	7.0	9.0	10.0	5.0	5.0	5.0	5.0	5.0	5.0
Plant operations and maintenance	37.5	37.1	35.8	36.8	29.5	26.0	26.5	26.0	26.0	26.0
Pupil transportation	2.5	2.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	12.0	12.0	15.0	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	5.0	5.0	5.0	4.8	4.8	4.0	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
Total	429.1	410.6	398.0	382.5	377.5	374.0	367.5	376.5	376.5	376.5

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>				
2018	2,777	\$ 48,271,014	\$ 17,382.43	1.22%	N/A	N/A	N/A	N/A	2,770	2,603	0.98%	93.98%
2017	2,725	46,796,412	17,173.00	4.97%	N/A	N/A	N/A	N/A	2,733	2,578	-1.31%	94.32%
2016	2,734	44,728,310	16,360.03	0.25%	N/A	N/A	N/A	N/A	2,762	2,612	4.48%	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	3.22%	N/A	N/A	N/A	N/A	2,419	2,293	4.32%	94.80%
2012	2,457	39,290,591	15,991.29	-3.20%	N/A	N/A	N/A	N/A	2,301	2,198	3.19%	94.42%
2011	2,310	38,162,909	16,520.74	-4.99%	N/A	N/A	N/A	N/A	2,241	2,130	2.26%	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%

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-4
- (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>2018</u>	<u>2017</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>District Building</u>										
<u>Elementary</u>										
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	700	667	629	629	576	584	530	463	457	512
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	522	527	576	576	609	615	589	615	583	536
Preschool (1923)										
Square Feet (approx.)	12,000	12,000	12,000	12,000	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	450	450	450	450	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	166	164	139	139	N/A	N/A	N/A	N/A	N/A	N/A
<u>Middle School</u>										
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	775	758	705	705	653	667	668	666	642	619
<u>High School</u>										
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	576	561	532	532	580	601	503	540	556	603
<u>Other</u>										
Central Administration (2008)										
Square Feet	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944
Number of Schools at June 30, 2018										
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)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
School #4	N/A	\$ 46,778	\$ 45,410	\$ 32,893	\$ 60,702	\$ 21,233	\$ 58,669	\$ 74,407	\$ 46,934	\$ 111,617	\$ 162,976
School #5	N/A	23,852	25,211	34,092	56,404	25,314	20,957	93,619	46,617	107,825	41,980
Middle School	N/A	111,150	128,199	66,604	100,959	97,920	66,497	78,645	86,846	153,170	119,939
High School	N/A	87,351	92,065	79,518	97,377	74,698	116,171	207,943	198,381	157,241	235,597
Other Facilities	N/A	3,930	2,723	1,923	3,302	2,908	2,735	4,019	4,878	15,420	7,069
Total School Facilities		273,061	293,608	215,030	318,744	222,073	265,029	458,633	383,656	545,273	567,561
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 273,061	\$ 293,608	\$ 215,030	\$ 318,744	\$ 222,073	\$ 265,029	\$ 458,633	\$ 383,656	\$ 545,273	\$ 567,561

* 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, 2018

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1) - Great American		
Property - blanket building & contents	\$175,000,000	\$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 - Beazley Inc. Co., Inc.	\$3,000,000	\$25,000
Cyber Liability - Lexington	\$1,000,000	\$25,000
Violent Malicious Acts - Lloyd's of London	\$1,000,000	\$15,000
Disaster Management Services - Lloyd's of London	\$2,000,000	\$15,000
 Workers' Compensation	 Statutory	
 Surety Bonds - Hartford Insurance Company		
Treasurer	\$230,000	
Board Secretary/Business Administrator	\$100,000	

(1) List Insurance Company

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, 2018. 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, 2018.

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 and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with 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 and 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 and 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 and 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
Certified Public Accountants
& Consultants



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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2018

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, 2017	Unearned Revenue
					From	To		
General Fund:								
U.S. Department of Education								
Passed-through State Department of Education:								
Medical Assistance Program (Medicaid):								
Special Education Medicaid Initiative (SEMI)	93.778	1705NJ5MAP	N/A	\$ 147,065	7-1-2017	6-30-2018		
Total Medical Assistance Program (Medicaid) Cluster							-	-
Total General Fund							-	-
Special Revenue Fund:								
U.S. Department of Education								
Passed-through State Department of Education:								
N.C.L.B./E.S.S.A.:								
Title I, Part A Carryover	84.010A	S010A150030	NCLB267017	1,498,816	7-1-2016	6-30-2017	\$ (184,106)	
Title I, Part A	84.010A	S010A150030	NCLB267018	1,548,237	7-1-2017	6-30-2018		
Title I, Part A SIA	84.010A	S010A150030	NCLB267018	263,581	7-1-2017	6-30-2018		
Total Title I, Part A							(184,106)	-
Title II, Part A	84.367	S367A150029	NCLB267017	72,407	7-1-2016	6-30-2017	(7,021)	
Title II, Part A	84.367	S367A150029	NCLB267018	119,969	7-1-2017	6-30-2018		
Total Title II, Part A							(7,021)	-
Title III Carryover	84.365A	S365A150030	NCLB267017	188,148	7-1-2016	6-30-2017	(34,910)	
Title III	84.365A	S365A150030	NCLB267018	189,078	7-1-2017	6-30-2018		
Total Title III							(34,910)	-
Title III Immigrant Carryover	84.365	S365A150030	NCLB267017	12,536	7-1-2016	6-30-2017	(1,239)	
Title III Immigrant	84.365	S365A150030	NCLB267018	13,444	7-1-2017	6-30-2018		
Total Title III Immigrant							(1,239)	-
Title IV	84.365	S365A150030	NCLB267018	19,175	7-1-2017	6-30-2018		
Total Title IV							-	-
I.D.E.A. Part B:								
Special Education Cluster:								
Basic Regular	84.027	H027A150100	IDEA267017	673,579	7-1-2016	6-30-2017	(7,292)	
Basic Regular	84.027	H027A150100	IDEA267018	698,395	7-1-2017	6-30-2018		
Preschool	84.173	H173A150114	IDEA267017	31,681	7-1-2016	6-30-2017	(2,568)	
Preschool	84.173	H173A150114	IDEA267018	31,868	7-1-2017	6-30-2018		
Total I.D.E.A. Part B Special Education Cluster							(9,860)	-
ARRA - Race to the Top - Preschool Development Expansion Grant	84.419	S419B150020	15-100-034-5069-031-H350-D005	776,869	1-1-2016	12-31-2016	(65,356)	
ARRA - Race to the Top - Preschool Development Expansion Grant	84.419	S419B150020	15-100-034-5069-031-H350-D005	776,869	1-1-2017	12-31-2017		
Total ARRA - Race to the Top - Preschool Development Expansion Grant							(65,356)	-
Temporary Emergency Impact Aid for Displaced Students	84.938C	S938C18005	100-091-6160	12,750	1-1-2016	12-31-2017		
Total Special Revenue Fund							(302,492)	-
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
National School Lunch Program	10.555	171NJ304N1099	N/A	984,092	7-1-2016	6-30-2017	(65,422)	
National School Lunch Program	10.555	181NJ304N1099	N/A	1,018,363	7-1-2017	6-30-2018		
Healthy Hunger Free Kids Act	10.555	171NJ304N1099	N/A	21,579	7-1-2016	6-30-2017	(1,434)	
Healthy Hunger Free Kids Act	10.555	181NJ304N1099	N/A	21,999	7-1-2017	6-30-2018		
School Breakfast Program	10.553	171NJ304N1099	N/A	429,831	7-1-2016	6-30-2017	(30,467)	
School Breakfast Program	10.553	181NJ304N1099	N/A	446,474	7-1-2017	6-30-2018		
Summer Feeding Program	10.553	181NJ304N1099	N/A	11,744	7-1-2017	6-30-2018		
Fresh Fruits and Vegetable Program	10.582	171NJ304N1603	N/A	53,978	7-1-2016	6-30-2017	(5,697)	
Fresh Fruits and Vegetable Program	10.582	181NJ304N1603	N/A	42,693	7-1-2017	6-30-2018		
Non-Cash Assistance:								
Food Distribution Program	10.555	181NJ304N1603	N/A	108,762	7-1-2017	6-30-2018		
Total Child Nutrition Cluster							(103,020)	-
Total Enterprise Fund							(103,020)	-
Total Federal Financial Assistance							\$ (405,512)	\$ -

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			Passed Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2018		
	Pass-through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 147,065	\$ 147,065		\$ 147,065						
147,065	147,065	-	147,065	-	-	-	-	-	-
147,065	147,065	-	147,065	-	-	-	-	-	-
184,106									
1,149,141	1,438,211		1,438,211				\$ (289,070)		
4,982	107,748		107,748				(102,766)		
1,338,229	1,545,959	-	1,545,959	-	-	-	(391,836)	-	-
7,021									
105,901	114,375		114,375				(8,474)		
112,922	114,375	-	114,375	-	-	-	(8,474)	-	-
34,910									
97,804	163,440		163,440				(65,636)		
132,714	163,440	-	163,440	-	-	-	(65,636)	-	-
1,239									
11,170	13,444		13,444				(2,274)		
12,409	13,444	-	13,444	-	-	-	(2,274)	-	-
6,840	7,047		7,047				(207)		
6,840	7,047	-	7,047	-	-	-	(207)	-	-
7,292									
684,978	698,395		698,395				(13,417)		
2,568									
20,678	29,864		29,864				(9,186)		
715,516	728,259	-	728,259	-	-	-	(22,603)	-	-
163,791	98,435		98,435						
580,114	653,805		653,805				(73,691)		
743,905	752,240	-	752,240	-	-	-	(73,691)	-	-
	12,750		12,750				(12,750)		
3,062,535	3,337,514	-	3,337,514	-	-	-	(577,471)	-	-
65,422									
938,443	1,018,363		1,018,363				(79,920)		
1,434									
20,292	21,999		21,999				(1,707)		
30,467									
409,078	446,474		446,474				(37,396)		
11,744	11,744		11,744						
5,697									
41,333	42,693		42,693				(1,360)		
108,762	108,762		108,762						
1,632,672	1,650,035	-	1,650,035	-	-	-	(120,383)	-	-
1,632,672	1,650,035	-	1,650,035	-	-	-	(120,383)	-	-
\$ 4,842,272	\$ 5,134,614	\$ -	\$ 5,134,614	\$ -	\$ -	\$ -	\$ (697,854)	\$ -	\$ -

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Expenditures of State Awards, Schedule B
For the Fiscal Year Ended June 30, 2018

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2017	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	17-495-034-5120-078	\$ 22,269,343		7-1-2016	6-30-2017	\$ (2,166,460)	
Equalization Aid	18-495-034-5120-078	23,200,961		7-1-2017	6-30-2018		
School Choice	17-495-034-5120-068	293,755		7-1-2016	6-30-2017	(29,376)	
School Choice	18-495-034-5120-068	293,755		7-1-2017	6-30-2018		
Security Aid	17-495-034-5120-084	430,638		7-1-2016	6-30-2017	(43,064)	
Security Aid	18-495-034-5120-084	430,638		7-1-2017	6-30-2018		
Special Education Aid	17-495-034-5120-089	1,304,369		7-1-2016	6-30-2017	(130,437)	
Special Education Aid	18-495-034-5120-089	1,304,369		7-1-2017	6-30-2018		
Under Adequacy Aid	17-495-034-5120-096	179,546		7-1-2016	6-30-2017	(17,955)	
Under Adequacy Aid	18-495-034-5120-096	179,546		7-1-2017	6-30-2018		
Additional Adjustment Aid	17-495-034-5120-085	29,975		7-1-2016	6-30-2017	(2,997)	
Additional Adjustment Aid	18-495-034-5120-085	29,975		7-1-2017	6-30-2018		
PARCC Readiness Aid	17-495-034-5120-098	24,300		7-1-2016	6-30-2017	(2,430)	
PARCC Readiness Aid	18-495-034-5120-098	24,300		7-1-2017	6-30-2018		
Per Pupil Growth Aid	17-495-034-5120-097	24,300		7-1-2016	6-30-2017	(2,430)	
Per Pupil Growth Aid	18-495-034-5120-097	24,300		7-1-2017	6-30-2018		
Professional Learning Community Aid	17-495-034-5120-101	27,020		7-1-2016	6-30-2017	(2,702)	
Professional Learning Community Aid	18-495-034-5120-101	27,020		7-1-2017	6-30-2018		
Host District Support Aid	17-495-034-5120-102	13,281		7-1-2016	6-30-2017	(1,328)	
Host District Support Aid	18-495-034-5120-102	24,942		7-1-2017	6-30-2018		
Total State Aid - Public Cluster						(2,399,179)	-
State Aid - Transportation:							
Transportation Aid	17-495-034-5120-014	167,623		7-1-2016	6-30-2017	(16,762)	
Transportation Aid	18-495-034-5120-014	167,623		7-1-2017	6-30-2018		
Nonpublic Transportation Aid	17-495-034-5120-014	14,661		7-1-2016	6-30-2017	(14,661)	
Nonpublic Transportation Aid	18-495-034-5120-014	26,318		7-1-2017	6-30-2018		
Total State Aid - Transportation						(31,423)	-
Extraordinary Special Education Aid Costs							
Extraordinary Special Education Aid Costs	17-495-034-5120-044	147,132		7-1-2016	6-30-2017	(147,132)	
Extraordinary Special Education Aid Costs	18-495-034-5120-044	161,428		7-1-2017	6-30-2018		
Total Extraordinary Aid						(147,132)	-
Reimbursed T.P.A.F. Social Security							
Reimbursed T.P.A.F. Social Security	17-495-034-5095-002	1,286,662		7-1-2016	6-30-2017	(64,333)	
Reimbursed T.P.A.F. Social Security	18-495-034-5095-002	1,325,468		7-1-2017	6-30-2018		
Total Reimbursed T.P.A.F. Social Security						(64,333)	-
Lead Water Testing for Schools Aid							
Lead Water Testing for Schools Aid	495-034-5120-104	4,521		1-1-2016	7-13-2017		
Total General Fund						(2,642,067)	-
Special Revenue Fund:							
New Jersey Department of Education							
Preschool Education Aid	17-495-034-5120-086	1,183,420	\$ 619,274	7-1-2016	6-30-2017	83,520	
Preschool Education Aid	18-495-034-5120-086	1,183,420	623,143	7-1-2017	6-30-2018		
Total Preschool Education Aid						83,520	-
Total Special Revenue Fund						83,520	-
Debt Service Fund:							
New Jersey Department of Education							
Debt Service Aid Type II	18-495-034-5120-075	643,506		7-1-2017	6-30-2018		
Enterprise Fund:							
New Jersey Department of Agriculture							
Child Nutrition Cluster							
National School Lunch Program (State Share)	17-100-010-3360-067	18,990		7-1-2016	6-30-2017	(1,262)	
National School Lunch Program (State Share)	18-100-010-3360-067	19,884		7-1-2017	6-30-2018		
Total Enterprise Fund						(1,262)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit						(2,559,809)	-
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	18-495-034-5094-002	2,532,137		7-1-2017	6-30-2018		
On-behalf T.P.A.F. Pension Contributions - Non-Contributory Insurance	18-495-034-5094-004	61,449		7-1-2017	6-30-2018		
On-behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance	18-495-034-5094-004	5,532		7-1-2017	6-30-2018		
On-behalf T.P.A.F. Pension Contributions - Post Retirement Medical	18-495-034-5094-001	1,675,142		7-1-2017	6-30-2018		
Total General Fund (Non-Cash Assistance)						-	-
Total State Financial Assistance						\$ (2,559,809)	\$ -

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, 2018			Memo	
						Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable 6/30/2018	Cumulative Total Expenditures
	\$ 2,166,460									
	20,908,230	\$ 23,200,961				\$ (2,292,731)			\$ (2,292,731)	\$ 23,200,961
	29,376									
	264,379	293,755				(29,376)			(29,376)	293,755
	43,064									
	387,574	430,638				(43,064)			(43,064)	430,638
	130,437									
	1,173,932	1,304,369				(130,437)			(130,437)	1,304,369
	17,955									
	161,591	179,546				(17,955)			(17,955)	179,546
	2,997									
	26,978	29,975				(2,997)			(2,997)	29,975
	2,430									
	21,870	24,300				(2,430)			(2,430)	24,300
	2,430									
	21,870	24,300				(2,430)			(2,430)	24,300
	2,702									
	24,318	27,020				(2,702)			(2,702)	27,020
	1,328									
	22,448	24,942				(2,494)			(2,494)	24,942
-	25,412,369	25,539,806	-	-	-	(2,526,616)	-	-	(2,526,616)	25,539,806
	16,762									
	150,861	167,623				(16,762)			(16,762)	167,623
	14,661									
		26,318				(26,318)				26,318
-	182,284	193,941	-	-	-	(43,080)	-	-	(16,762)	193,941
	147,132									
		162,055				(162,055)				162,055
-	147,132	162,055	-	-	-	(162,055)	-	-	-	162,055
	64,333									
	1,258,445	1,325,468				(67,023)				1,325,468
-	1,322,778	1,325,468	-	-	-	(67,023)	-	-	-	1,325,468
	4,521	4,521								4,521
-	27,069,084	27,225,791	-	-	-	(2,798,774)	-	-	(2,543,378)	27,225,791
	118,342	201,862								201,862
	1,688,221	1,601,049				(118,342)	\$ 205,514		(118,342)	1,601,049
-	1,806,563	1,802,911	-	-	-	(118,342)	205,514	-	(118,342)	1,802,911
-	1,806,563	1,802,911	-	-	-	(118,342)	205,514	-	(118,342)	1,802,911
	643,506	643,506								643,506
	1,262									
	18,340	19,884				(1,544)				19,884
-	19,602	19,884	-	-	-	(1,544)	-	-	-	19,884
-	29,538,755	29,692,092	-	-	-	(2,918,660)	205,514	-	(2,661,720)	29,692,092
	2,532,137	2,532,137								2,532,137
	61,449	61,449								61,449
	5,532	5,532								5,532
	1,675,142	1,675,142								1,675,142
-	4,274,260	4,274,260	-	-	-	-	-	-	-	4,274,260
\$ -	\$ 33,813,015	\$ 33,966,352	\$ -	\$ -	\$ -	\$ (2,918,660)	\$ 205,514	\$ -	\$ (2,661,720)	\$ 33,966,352

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018

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 are presented using the budgetary basis of accounting, with the following exception: 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 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.

Note 3: INDIRECT COST RATE

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the State deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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.

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$(127,437) for the general fund and \$(181,215) 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	\$ 147,065	\$ 27,225,791	\$ 27,372,856
Special Revenue	3,337,514	1,802,911	5,140,425
Debt Service		643,506	643,506
Food Service	<u>1,650,035</u>	<u>19,884</u>	<u>1,669,919</u>
Total Awards and Financial Assistance	<u>\$ 5,134,614</u>	<u>\$ 29,692,092</u>	<u>\$ 34,826,706</u>

Note 5: 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 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2018, 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, and long-term disability insurance related to TPAF members.

Note 7: 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, 2018

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:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		<u>Child Nutrition Cluster:</u>
<u>10.555</u>	<u>181NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>181NJ304N1099</u>	<u>Healthy Hunger Free Kids Act</u>
<u>10.553</u>	<u>181NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.553</u>	<u>181NJ304N1099</u>	<u>Summer Feeding Program</u>
<u>10.582</u>	<u>181NJ304L1603</u>	<u>Fresh Fruits and Vegetable Program</u>
<u>10.555</u>	<u>181NJ304N1099</u>	<u>Food Distribution Program</u>
		<u>Special Education Cluster:</u>
<u>84.027</u>	<u>H027A150100</u>	<u>I.D.E.A. Part B - Basic Regular</u>
<u>84.173</u>	<u>H173A150114</u>	<u>I.D.E.A. Part B - Preschool</u>

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, 2018

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

State Financial Assistance

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 New Jersey Circular 15-08-OMB? _____ yes x no

Identification of major programs:

GMIS Number(s)

Name of State Program

 18-495-034-5120-078

 18-495-034-5120-089

 18-495-034-5120-068

 18-495-034-5120-096

 18-495-034-5120-084

 18-495-034-5120-085

 18-495-034-5120-098

 18-495-034-5120-097

 18-495-034-5120-101

 18-495-034-5120-102

 18-495-034-5095-002

 18-495-034-5120-086

State Aid Public:

 Equalization Aid

 Special Education Aid

 School Choice Aid

 Under Adequacy Aid

 Security Aid

 Additional Adjustment Aid

 PARCC Readiness Aid

 Per Pupil Growth Aid

 Professional Learning Community Aid

 Host District Support Aid

 Reimbursed T.P.A.F. Social Security

 Preschool Education Aid

Dollar threshold used to determine Type A programs \$ _____ 890,763

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, 2018

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, 2018

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, 2018

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

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.

