

**BOROUGH OF LINDENWOLD**

**SCHOOL DISTRICT**

**LINDENWOLD, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Table of Contents

---

<b>INTRODUCTORY SECTION</b>	<u><b>Page</b></u>
Letter of Transmittal	2
Organizational Chart	8
Roster of Officials	9
Consultants and Advisors	10
 <b>FINANCIAL SECTION</b> 	
<b>Independent Auditor's Report</b>	<b>12</b>
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	<b>18</b>
<b>Basic Financial Statements</b>	
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
<b>Notes to the Financial Statements</b>	<b>38</b>
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	73
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	83
C-3 Notes to Required Supplementary Information - Part II Budget-to-GAAP Reconciliation	85

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

<b>FINANCIAL SECTION (CONT'D)</b>		<b>Page</b>
<b>Required Supplementary Information - Part III</b>		
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	88
L-2	Schedule of the School District's Contributions – PERS	89
L-3	Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF	90
L-4	Schedule of the School District's Contributions – TPAF	91
L-5	Notes to the Required Supplementary Information - Part III	92
<b>Required Supplementary Information - Part IV</b>		
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	94
M-2	Notes to the Required Supplementary Information - Part IV	95
<b>Other Supplementary Information</b>		
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	98
E-2	Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	100
F. Capital Projects Fund:		
F-1	Summary Schedule of Project Expenditures	N/A
F-2	Summary Schedule of Revenues, Expenditures, and Changes 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)

<b>FINANCIAL SECTION (CONT'D)</b>	<b>Page</b>
<b>Other Supplementary Information (Cont'd)</b>	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	102
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	103
G-3 Combining Statement of Cash Flows	104
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	106
H-2 Combining Statement of Changes in Fiduciary Net Position	107
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	108
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	109
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	111
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	112
<b>STATISTICAL SECTION (Unaudited)</b>	
<b>Introduction to the Statistical Section</b>	
<b>Financial Trends</b>	
J-1 Net Position by Component	115
J-2 Changes in Net Position	116
J-3 Fund Balances - Governmental Funds	119
J-4 Changes in Fund Balances - Governmental Funds	120
J-5 General Fund Other Local Revenue by Source	121
<b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	123
J-7 Direct and Overlapping Property Tax Rates	124
J-8 Principal Property Taxpayers	125
J-9 Property Tax Levies and Collections	126

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

---

	<b>Page</b>
<b>STATISTICAL SECTION (Unaudited) (Cont'd)</b>	
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	128
J-11 Ratios of General Bonded Debt Outstanding	129
J-12 Direct and Overlapping Governmental Activities Debt	130
J-13 Legal Debt Margin Information	131
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	133
J-15 Principal Employers	134
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	136
J-17 Operating Statistics	137
J-18 School Building Information	138
J-19 Schedule of Required Maintenance Expenditures by School Facility	139
J-20 Insurance Schedule	140
<b>SINGLE AUDIT SECTION</b>	
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	142
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	152
K-7 Schedule of Current Year Findings	154
K-8 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	157

## **INTRODUCTORY SECTION**



# LINDENWOLD PUBLIC SCHOOLS

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

December 12, 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, 2019, 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 2018-2019 fiscal year with an enrollment of two-thousand, seven hundred ninety-two (2,792) 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>
2018-19	2792	44	1.6
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

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

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

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

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



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

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

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

Our major curriculum efforts have 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. We are in the process of making our new core programs, *F&P Classroom* in ELA and *Math Expressions* in math, align neatly with our curriculum units, so that teachers understand how to best prepare lessons in alignment with our curricula.

We have also added electives at LHS in the social studies, science, ELA, and music departments.

#### **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. We are beginning this year to make a fuller use of EdConnect for our assessment processes.

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 also continue our work with innovating in the area of assessment of 21<sup>st</sup> 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 21<sup>st</sup> century skills as defined by the Partnership for 21<sup>st</sup> Century Skills.

## **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 continue 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 continue to undergo 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 are also continuing our practice of implementing 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. We look forward to adding the expertise of our newly-appointed Supervisor of Bilingual, ESL, and World Language in our work with 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. We are adding a comprehensive climate and culture committee to our planning efforts in order to centralize planning for trauma-sensitive practices, positive behavior interventions, and restorative justice programs.

**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, 2019.

**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.

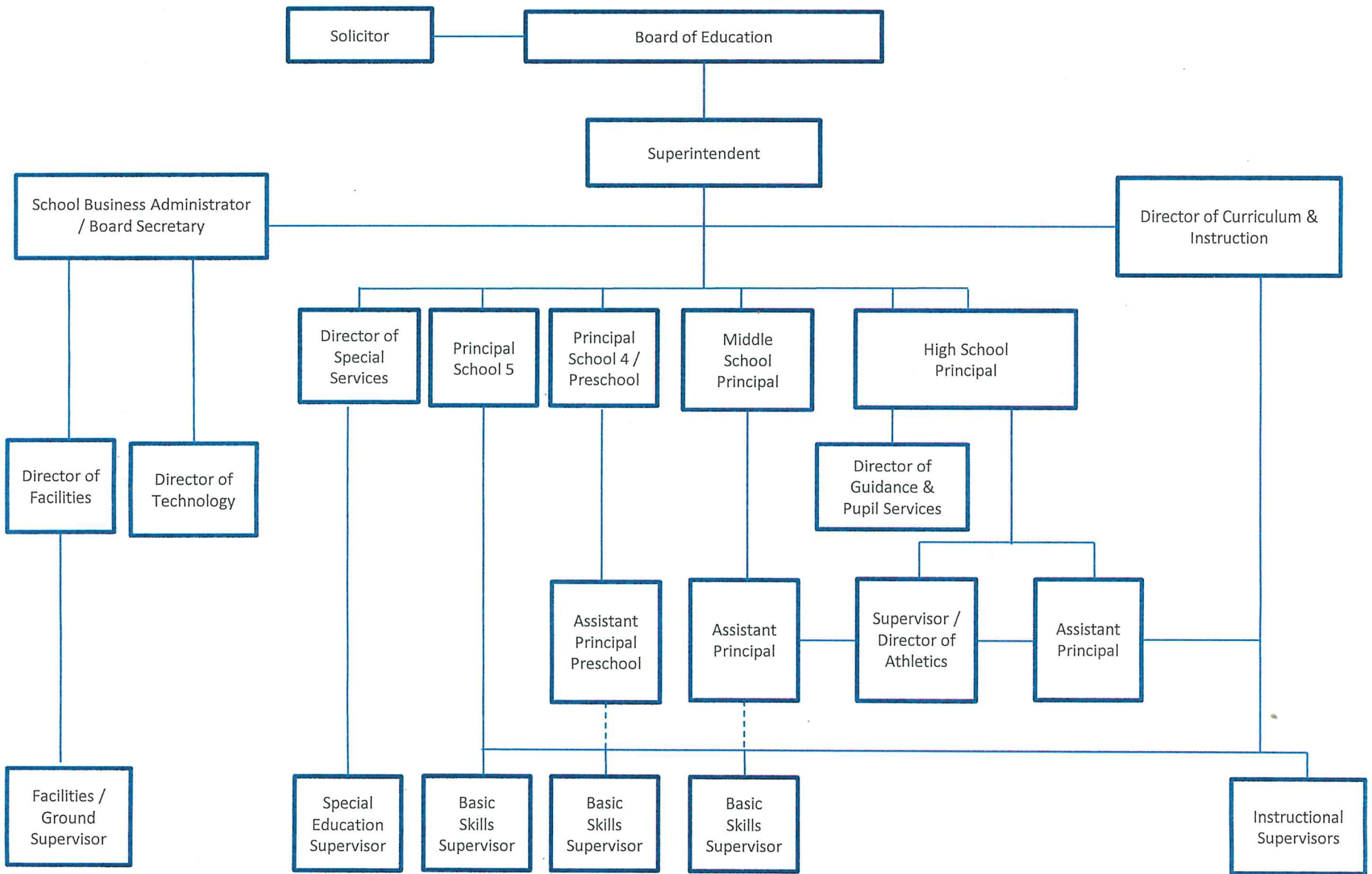
Respectfully submitted,

*Lori L. Moore, Ed. D.*

Lori L. Moore, Ed. D.  
Superintendent

*Kathleen Huder*

Kathleen Huder  
Board Secretary/School Business  
Administrator



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
**LINDENWOLD, NEW JERSEY**  
**ROSTER OF OFFICIALS**  
**JUNE 30, 2019**

**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	2021
Alethia Gibbs-Smith	2020
Marsha Hershman	2021
Kelly McLaren	2020
Cortney Richardson	2019
Eileen Russell	2021

**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, 2019**

**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 16<sup>th</sup> Street, Suite 2400  
Philadelphia, PA 19102

**FINANCIAL SECTION**



## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**27400**

***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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's 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 Office of School 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.

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 it.

27400

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 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*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Glen J. Walton*

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

Voorhees, New Jersey  
December 12, 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 Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, 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 December 12, 2019.

**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 Office of School Finance, Department of Education, State of New Jersey.

**Purpose of this Report**

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

Respectfully submitted,

*Bowman + Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Glen J. Walton*

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

Voorhees, New Jersey  
December 12, 2019

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(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, 2019 and 2018. 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 2019:

- The assets of the Borough of Lindenwold School District exceeded its liabilities at the close of the most recent fiscal year by \$11,149,883 (net position).
- The School District's total net position increased by \$1,261,008. 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 \$3,127,437, a decrease of \$138,811 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 \$1,690,343, which is a decrease in deficit of \$20,683 in comparison with the prior year.
- The Borough of Lindenwold School District's total debt decreased by \$1,120,000 as a result of debt payments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(Unaudited) (Cont'd)

---

**Government-Wide Statements**

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

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

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

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

**Fund Financial Statements**

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

The School District has three kinds of funds:

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



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(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 2019 and 2018.

**TABLE 1**  
Net Position

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>% Change</u>
<b>Assets:</b>				
Current and Other Assets	\$ 5,498,588	\$ 4,984,921	\$ 513,667	10.30%
Capital Assets	25,661,687	25,549,040	112,647	0.44%
<b>Total Assets</b>	<b>31,160,275</b>	<b>30,533,961</b>	<b>626,314</b>	<b>2.05%</b>
<b>Deferred Outflows of Resources:</b>				
Related to Pensions	2,323,257	3,352,153	(1,028,896)	100.00%
<b>Liabilities:</b>				
Long-Term Liabilities	15,204,033	18,679,529	(3,475,496)	-18.61%
Other Liabilities	3,653,595	3,041,088	612,507	20.14%
<b>Total Liabilities</b>	<b>18,857,628</b>	<b>21,720,617</b>	<b>(2,862,989)</b>	<b>-13.18%</b>
Deferred Inflow of Resources - Related to Pensions	3,476,021	2,276,622	1,199,399	100.00%
<b>Net Position:</b>				
Net Investment in Capital Assets	18,530,072	17,194,150	1,335,922	7.77%
Restricted	4,684,961	4,575,220	109,741	2.40%
Unrestricted (Deficit)	(12,065,150)	(11,880,495)	(184,655)	1.55%
<b>Total Net Position</b>	<b>\$ 11,149,883</b>	<b>\$ 9,888,875</b>	<b>\$ 1,261,008</b>	<b>12.75%</b>

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, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 2,323,257	\$ 3,352,153	\$ (1,028,896)	100.00%
Less: Net Pension Liability	(8,658,475)	(10,901,126)	2,242,651	-20.57%
Less: Deferred Inflows Related to Pensions	(3,476,021)	(2,276,622)	(1,199,399)	-100.00%
	<b>\$ (9,811,239)</b>	<b>\$ (9,825,595)</b>	<b>\$ 14,356</b>	<b>-0.15%</b>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2019 and 2018.

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 811,138	\$ 858,361	\$ (47,223)	-5.50%
Operating Grants and Contributions	11,908,321	15,582,536	(3,674,215)	-23.58%
Capital Grants and Contributions	66,969	-	66,969	-
General Revenues:				
Property Taxes	14,120,719	13,951,962	168,757	1.21%
Grants and Contributions	34,480,240	32,158,664	2,321,576	7.22%
Other	94,675	45,581	49,094	107.71%
<b>Total Revenues</b>	<u>61,482,062</u>	<u>62,597,104</u>	<u>(1,115,042)</u>	<u>-1.78%</u>
<b>Expenses:</b>				
Instruction:				
Regular	12,037,341	12,034,261	3,080	0.03%
Special Education	3,862,558	3,666,716	195,842	5.34%
Other Special Instruction	4,043,848	3,655,361	388,487	10.63%
Student Services:				
Tuition	2,879,858	2,499,250	380,608	15.23%
Student and Instruction Related	6,133,817	5,358,642	775,175	14.47%
General Administrative Services	633,836	565,254	68,582	12.13%
School Administrative Services	1,773,488	1,714,766	58,722	3.42%
Central Services	460,273	431,976	28,297	6.55%
Administrative Information Technology	255,562	209,198	46,364	22.16%
Plant Operations and Maintenance	3,578,140	3,309,311	268,829	8.12%
Pupil Transportation	2,342,264	2,129,484	212,780	9.99%
Special Schools	539,086	490,541	48,545	9.90%
Unallocated Benefits	19,590,065	23,435,443	(3,845,378)	-16.41%
Interest on Long-Term Debt	219,686	265,466	(45,780)	-17.25%
Food Service	1,871,232	1,723,280	147,952	8.59%
<b>Total Expenses</b>	<u>60,221,054</u>	<u>61,488,949</u>	<u>(1,267,895)</u>	<u>-2.06%</u>
Increase (Decrease) in Net Position	1,261,008	1,108,155	152,853	13.79%
Beginning Net Position	9,888,875	8,780,720	1,108,155	12.62%
Ending Net Position	<u>\$ 11,149,883</u>	<u>\$ 9,888,875</u>	<u>\$ 1,261,008</u>	<u>12.75%</u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(Unaudited) (Cont'd)

---

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

**Governmental Activities**

In 2018-2019, Governmental Activities Revenues were \$59,549,017 or 96.86% of total revenues.

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

The \$1,220,440 decrease in Governmental Activities Revenues from FY 2017-2018 to FY 2018-2019 was mainly related to the implementation of GASB 75.

In 2018-2019, General Revenues - Property Taxes of \$14,120,719 made up 23.71%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$34,480,240 made up 57.90% of Governmental Activities Revenues.

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 2018-2019, the School District's Governmental Activities expenditures decreased by \$1,415,847 or 2.37% from 2017-2018.

**Business-Type Activities**

In 2018-2019 Business-Type Activities Revenues were \$1,933,045 or 3.14% of total revenues. In 2017-2018 Business-Type Activities Revenues were \$1,827,647 or 2.92% of total revenues.

Charges for Services for Business-Type Activities were \$156,817 in 2018-2019 compared to \$156,201 in 2017-2018, a 0.39% increase.

Operating Grants and Contributions for Business-Type Activities were \$1,771,522 in 2018-2019 compared to \$1,669,919 in 2017-2018, a 6.08% increase.

Expenses for Business-Type Activities were \$1,871,232 in 2018-2019 compared to \$1,723,280 in 2017-2018, a 8.59% increase.

**General Fund Budgeting Highlights**

The final budgetary basis revenue estimate was \$41,235,656, which was equal to the original budget.

The 2018-2019 General Fund Tax Levy was \$13,312,379, an increase of \$196,735 or 1.50% from the 2017-2018 General Fund Tax Levy of \$13,115,644.

During fiscal year 2019, the School District budgeted \$13,312,379 for property taxes (local tax levy) and \$27,131,830 for state aid revenues.

The School District also received \$1,403,423 and \$5,121,436 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 \$1,403,423 and \$5,121,436 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, 2019  
 (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 \$43,170,402, 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 \$3,127,437, a decrease of \$138,811 in comparison with the prior year.

Of the combined ending fund balances of \$3,127,437, \$1,832,883 constitutes unassigned fund balance deficits. The remainder of fund balance of \$4,960,320 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 \$546,881 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, 2019 amounts to \$25,661,687 (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 7.77%. The net increase was the result of the net effect of the 2019 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, 2019</u>	<u>June 30, 2018</u>
Land	\$ 1,998,297	\$ 1,998,297
Construction in Progress	38,745	75,458
Site Improvements	2,040,250	2,182,280
Building and Improvements	19,802,799	19,410,888
Equipment	<u>1,781,596</u>	<u>1,882,117</u>
 Total Capital Assets	 <u>\$ 25,661,687</u>	 <u>\$ 25,549,040</u>

Depreciation expense was \$1,398,814 for fiscal year ended 2019 and \$1,319,225 for fiscal year ended 2018.

**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 \$6,555,000. The entire Borough of Lindenwold School District's bonded debt is governmental as opposed to business-type. The 2019 adopted budget has an appropriation of \$1,120,000 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, 2019  
(Unaudited) (Cont'd)

---

**FACTORS ON THE DISTRICT'S FUTURE**

For the 2018-19 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 23.71% of total revenue is from local tax levy and 57.90% 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, 2019

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents		\$ 449,515	\$ 449,515
Receivables, net (Note 5)	\$ 1,613,282	80,545	1,693,827
Internal Balances	335	(335)	-
Inventory		20,489	20,489
Restricted Assets:			
Restricted Cash and Cash Equivalents	262,491		262,491
Capital Reserve Account - Cash	3,072,266		3,072,266
Capital Assets, net (Note 7)	<u>25,252,554</u>	<u>409,133</u>	<u>25,661,687</u>
<b>Total Assets</b>	<u>30,200,928</u>	<u>959,347</u>	<u>31,160,275</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 10)	<u>2,323,257</u>		<u>2,323,257</u>
Accounts Payable			
Related to Pensions	436,441		436,441
Other	1,429,211	3,333	1,432,544
Unearned Revenue	391,726		391,726
Accrued Interest Payable	22,623		22,623
Noncurrent Liabilities (Note 8):			
Due within One Year	1,370,261		1,370,261
Due beyond One Year	<u>15,204,033</u>		<u>15,204,033</u>
<b>Total Liabilities</b>	<u>18,854,295</u>	<u>3,333</u>	<u>18,857,628</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 10)	<u>3,476,021</u>		<u>3,476,021</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	18,120,939	409,133	18,530,072
Restricted for:			
Debt Service	1		1
Other Purposes	4,684,960		4,684,960
Unrestricted (Deficit)	<u>(12,612,031)</u>	<u>546,881</u>	<u>(12,065,150)</u>
<b>Total Net Position</b>	<u>\$ 10,193,869</u>	<u>\$ 956,014</u>	<u>\$ 11,149,883</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, 2019

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 12,037,341		\$ 826,847		\$ (11,210,494)		\$ (11,210,494)
Special Education	3,862,558	\$ 654,321			(3,208,237)		(3,208,237)
Other Special Instruction	4,043,848		958,999		(3,084,849)		(3,084,849)
Support Services:							
Tuition	2,879,858		695,714		(2,184,144)		(2,184,144)
Student and Instruction Related Services	6,133,817		1,282,642	\$ 66,969	(4,784,206)		(4,784,206)
General Administrative Services	633,836				(633,836)		(633,836)
School Administrative Services	1,773,488				(1,773,488)		(1,773,488)
Central Services	460,273				(460,273)		(460,273)
Administrative Information Technology	255,562				(255,562)		(255,562)
Plant Operations and Maintenance	3,578,140		176,384		(3,401,756)		(3,401,756)
Pupil Transportation	2,342,264		28,298		(2,313,966)		(2,313,966)
Special Schools	539,086				(539,086)		(539,086)
Unallocated Benefits	19,590,065		6,167,915		(13,422,150)		(13,422,150)
Interest on Long-Term Debt	219,686				(219,686)		(219,686)
<b>Total Governmental Activities</b>	<b>58,349,822</b>	<b>654,321</b>	<b>10,136,799</b>	<b>66,969</b>	<b>(47,491,733)</b>	<b>-</b>	<b>(47,491,733)</b>
Business-Type Activities:							
Food Service	1,871,232	156,817	1,771,522			\$ 57,107	57,107
<b>Total Business-Type Activities</b>	<b>1,871,232</b>	<b>156,817</b>	<b>1,771,522</b>	<b>-</b>	<b>-</b>	<b>57,107</b>	<b>57,107</b>
<b>Total Government</b>	<b>\$ 60,221,054</b>	<b>\$ 811,138</b>	<b>\$ 11,908,321</b>	<b>\$ 66,969</b>	<b>(47,491,733)</b>	<b>57,107</b>	<b>(47,434,626)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					13,312,379		13,312,379
Taxes Levied for Debt Service					808,340		808,340
Federal, State and Local Aid Not Restricted					33,860,749		33,860,749
State Aid Restricted					619,491		619,491
Interest income					71,376	4,706	76,082
Miscellaneous Income					18,745		18,745
Loss on Disposal of Capital Assets					(152)		(152)
<b>Total General Revenues and Loss on Disposal of Capital Assets</b>					<b>48,690,928</b>	<b>4,706</b>	<b>48,695,634</b>
Change in Net Position					1,199,195	61,813	1,261,008
Net Position -- July 1					8,994,674	894,201	9,888,875
Net Position -- June 30					<b>\$ 10,193,869</b>	<b>\$ 956,014</b>	<b>\$ 11,149,883</b>

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

**FUND FINANCIAL STATEMENTS**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2019

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents				\$ 1	\$ 1
Cash - Capital Reserve Account	\$ 3,072,266				3,072,266
Cash - Maintenance Reserve Account	251,000				251,000
Cash - Current Expense Emergency Reserve	11,490				11,490
Accounts Receivable, net					
State	398,281				398,281
Federal		\$ 1,007,378			1,007,378
Intergovernmental	207,623				207,623
Interfund	658,531				658,531
<b>Total Assets</b>	<b>\$ 4,599,191</b>	<b>\$ 1,007,378</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 5,606,570</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 1,329,215	\$ 99,996			\$ 1,429,211
Interfunds Payable		658,196			658,196
Unearned Revenue		391,726			391,726
<b>Total Liabilities</b>	<b>1,329,215</b>	<b>1,149,918</b>	<b>-</b>	<b>-</b>	<b>2,479,133</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	3,072,266				3,072,266
Maintenance Reserve	251,000				251,000
Emergency Reserve	11,490				11,490
Excess Surplus--Designated for Subsequent Year's Expenditures	684,143				684,143
Excess Surplus	666,061				666,061
Debt Service				\$ 1	1
<b>Assigned:</b>					
Other Purposes	275,359				275,359
Unassigned (Deficit)	(1,690,343)	(142,540)			(1,832,883)
<b>Total Fund Balances</b>	<b>3,269,976</b>	<b>(142,540)</b>	<b>-</b>	<b>1</b>	<b>3,127,437</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,599,191</b>	<b>\$ 1,007,378</b>	<b>\$ -</b>	<b>\$ 1</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$50,727,515 and the accumulated depreciation is \$25,474,961.	25,252,554
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.	(7,915,819)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(22,623)
Net Pension Liability	(8,658,475)
Accounts Payable related to the April 1, 2020 Required PERS pension contribution that is not to be liquidated with current financial resources.	(436,441)
Deferred Outflows of Resources - Related to Pensions	2,323,257
Deferred Inflows of Resources - Related to Pensions	(3,476,021)
Net position of governmental activities	<u>\$ 10,193,869</u>

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 13,312,379			\$ 808,340	\$ 14,120,719
Interest	71,376				71,376
Tuition	654,321				654,321
Unrestricted Miscellaneous Revenues	18,745				18,745
State Sources	33,679,578	\$ 1,211,545		619,491	35,510,614
Federal Sources	181,171	3,820,509			4,001,680
<b>Total Revenues</b>	<b>47,917,570</b>	<b>5,032,054</b>	<b>-</b>	<b>1,427,831</b>	<b>54,377,455</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	10,700,751	826,847			11,527,598
Special Education Instruction	2,985,830	736,777			3,722,607
Other Special Instruction	2,946,731	958,999			3,905,730
<b>Support Services and Undistributed Costs:</b>					
Tuition	2,184,144	695,714			2,879,858
Student and Instruction Related Services	4,610,859	1,306,840			5,917,699
General Administrative Services	605,457				605,457
School Administrative Services	1,694,084				1,694,084
Central Services	460,273				460,273
Administrative Information Technology	255,562				255,562
Plant Operations and Maintenance	3,249,449	176,384			3,425,833
Pupil Transportation	2,210,363	28,298			2,238,661
Unallocated Benefits	13,437,475	1,063,170			14,500,645
Special Schools	539,086				539,086
<b>Debt Service:</b>					
Principal				1,120,000	1,120,000
Interest and Other Charges	19,250			307,831	327,081
Capital Outlay	1,396,092				1,396,092
<b>Total Expenditures</b>	<b>47,295,406</b>	<b>5,793,029</b>	<b>-</b>	<b>1,427,831</b>	<b>54,516,266</b>
Excess (Deficiency) of Revenues over Expenditures	622,164	(760,975)	-	-	(138,811)
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In		736,777			736,777
Operating Transfers Out	(736,777)		-		(736,777)
<b>Total Other Financing Sources (Uses)</b>	<b>(736,777)</b>	<b>736,777</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(114,613)</b>	<b>(24,198)</b>	<b>-</b>	<b>-</b>	<b>(138,811)</b>
Fund Balance (Deficit) -- July 1	3,384,589	(118,342)		1	3,266,248
Fund Balance (Deficit) -- June 30	<b>\$ 3,269,976</b>	<b>\$ (142,540)</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 3,127,437</b>

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2019

Total Net Change in Fund Balances - Governmental Funds	\$	(138,811)
<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	\$	(1,359,441)
Value of donated assets		66,969
Capital Outlays		<u>1,396,092</u>
		103,620
<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>		
		1,120,000
<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>		
		4,120
<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>		
		(152)
<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>		
		(8,182)
<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>15,325</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>1,199,195</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, 2019

---

	Business-Type Activities - <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 449,515
Accounts Receivable:	
State	940
Federal	79,605
Inventories	<u>20,489</u>
Total Current Assets	<u>550,549</u>
Noncurrent Assets:	
Equipment	915,490
Less Accumulated Depreciation	<u>(506,357)</u>
Total Noncurrent Assets	<u>409,133</u>
Total Assets	<u>959,682</u>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable	335
Accounts Payable	<u>3,333</u>
Total Current Liabilities	<u>3,668</u>
NET POSITION:	
Net Investment in Capital Assets	409,133
Unrestricted	<u>546,881</u>
Total Net Position	<u>\$ 956,014</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, 2019

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 115,329
Daily Sales - Non-Reimbursable Programs	29,289
Special Functions	<u>12,199</u>
Total Operating Revenues	<u>156,817</u>
<b>OPERATING EXPENSES:</b>	
Salaries	538,324
Employee Benefits	106,329
Supplies and Materials	111,578
Cost of Sales - Reimbursable Programs	948,835
Cost of Sales - Non-Reimbursable Programs	20,863
Other Purchased Professional Services	6,065
Management Fee	85,364
Repairs and Maintenance	13,442
Depreciation	39,373
Loss on Disposal of Equipment	<u>1,059</u>
Total Operating Expenses	<u>1,871,232</u>
Operating Income (Loss)	<u>(1,714,415)</u>
<b>NONOPERATING REVENUES:</b>	
State Sources:	
State School Lunch Program	19,682
Federal Sources:	
Healthy Hunger Free Kids Program	21,742
Fresh Fruits & Vegetables Program	35,849
National School Lunch Program	1,048,937
After School Snack	13,217
School Breakfast Program	485,309
Summer Feeding Program	8,174
United States Department of Agriculture Commodities	138,612
Interest and Investment Revenue	<u>4,706</u>
Total Nonoperating Revenues	<u>1,776,228</u>
Change in Net Position	61,813
Total Net Position -- July 1	<u>894,201</u>
Total Net Position -- June 30	<u>\$ 956,014</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, 2019

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 156,817
Payments to Employees	(538,324)
Payments for Employee Benefits	(106,329)
Payments to Suppliers	<u>(1,076,131)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,563,967)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Cash Received from Federal and State Reimbursements	<u>1,674,292</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,674,292</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	<u>(49,611)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(49,611)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends	<u>4,706</u>
Net Cash Provided by (used for) Investing Activities	<u>4,706</u>
Net Increase (Decrease) in Cash and Cash Equivalents	65,420
Cash and Cash Equivalents -- July 1	<u>384,095</u>
Cash and Cash Equivalents -- June 30	<u>\$ 449,515</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (1,714,415)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	39,373
Loss on Disposal of Equipment	1,059
Federal Commodities	138,612
(Increase) Decrease in Inventories	(4,330)
Increase (Decrease) in Other Current Liabilities	<u>(24,266)</u>
Total Adjustments	<u>150,448</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,563,967)</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, 2019

	Private Purpose Trust Funds			Agency Funds		
	Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Total <u>Trust Fund</u>	Student <u>Activity</u>	<u>Payroll</u>	Total <u>Agency Fund</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 335,756	\$ 2,043	\$ 337,799	\$ 76,697	\$ 304,787	\$ 381,484
Total Assets	<u>335,756</u>	<u>2,043</u>	<u>337,799</u>	<u>\$ 76,697</u>	<u>\$ 304,787</u>	<u>\$ 381,484</u>
<b>LIABILITIES:</b>						
Payable to Student Groups				\$ 76,697		\$ 76,697
Payroll Deductions and Withholdings					<u>\$ 304,787</u>	<u>304,787</u>
Total Liabilities				<u>\$ 76,697</u>	<u>\$ 304,787</u>	<u>\$ 381,484</u>
<b>NET POSITION:</b>						
Held in Trust for Unemployment Claims and Other Purposes	<u>335,756</u>	<u>2,043</u>	<u>337,799</u>			
Total Net Position	<u>\$ 335,756</u>	<u>\$ 2,043</u>	<u>\$ 337,799</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, 2019

	<u>Private Purpose Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 41,245	
Donor Contribution		\$ 1,800
Total Contributions	<u>41,245</u>	<u>1,800</u>
Investment Earnings:		
Interest	<u>3,831</u>	<u>23</u>
Net Investment Earnings	<u>3,831</u>	<u>23</u>
Total Additions	<u>45,076</u>	<u>1,823</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	57,299	
Scholarships Awarded		1,000
Total Deductions	<u>57,299</u>	<u>1,000</u>
Change in Net Position	(12,223)	823
Net Position -- July 1	<u>347,979</u>	<u>1,220</u>
Net Position -- June 30	<u>\$ 335,756</u>	<u>\$ 2,043</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, 2019

---

**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, 2019 of 2,737.

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, 2019. The School District has no prepaid expenses for the fiscal year ended June 30, 2019.

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 or accounts payable.

**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.

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2019 and 2018 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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, 2019, 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.

**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.

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

**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.

**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.

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

**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, 2019:

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.

**Note 2: CASH AND CASH EQUIVALENTS (CONT'D)**

As of June 30, 2019, the School District's bank balances of \$4,760,980 were exposed to custodial credit risk as follows:

Insured	\$ 836,918
Insured under GUDPA	3,486,118
Uninsured/Uncollateralized	<u>437,944</u>
	<u>\$ 4,760,980</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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 2,942,392
Increased by:	
Cancellation of locally funded projects	\$ 281,895
Transfer per June 24, 2019 Resolution	1,300,000
Interest Earnings	<u>2,500</u>
	<u>1,584,395</u>
	4,526,787
Decreased by:	
Withdrawals	<u>1,454,521</u>
Ending Balance, June 30, 2019	<u>\$ 3,072,266</u>

The June 30, 2019 LRFP balance of local support costs of uncompleted projects at June 30, 2019 is \$18,764,096. 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, 2019, the School District transferred \$1,454,521 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, 2019 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		\$ 1,007,378	\$ 1,007,378	\$ 79,605	\$ 79,605	\$ 1,086,983
State Awards	\$ 398,281		398,281	940	940	399,221
Other	207,623		207,623			207,623
<b>Total</b>	<b>\$ 605,904</b>	<b>\$ 1,007,378</b>	<b>\$ 1,613,282</b>	<b>\$ 80,545</b>	<b>\$ 80,545</b>	<b>\$ 1,693,827</b>

**Note 6: INVENTORY**

Inventory recorded at June 30, 2019 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	\$ 16,683
Supplies	<u>3,806</u>
	<u>\$ 20,489</u>

**Note 7: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Retirements / Transfers</b>	<b>Balance June 30, 2019</b>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 1,998,297			\$ 1,998,297
Construction in Progress	75,458	\$ 38,745	\$ (75,458)	38,745
Total Capital Assets, not being Depreciated	<u>2,073,755</u>	<u>38,745</u>	<u>(75,458)</u>	<u>2,037,042</u>
Capital Assets, being Depreciated:				
Site Improvement	4,357,856			4,357,856
Buildings and Improvements	36,069,763	1,304,229	75,458	37,449,450
Equipment	6,780,186	120,087	(17,106)	6,883,167
Total Capital Assets, being Depreciated	<u>47,207,805</u>	<u>1,424,316</u>	<u>58,352</u>	<u>48,690,473</u>
Less Accumulated Depreciation for:				
Site Improvements	(2,175,576)	(142,030)		(2,317,606)
Building and Improvements	(16,658,875)	(987,776)		(17,646,651)
Equipment	(5,298,023)	(229,635)	16,954	(5,510,704)
Total Accumulated Depreciation	<u>(24,132,474)</u>	<u>(1,359,441)</u>	<u>16,954</u>	<u>(25,474,961)</u>
Total Capital Assets, being Depreciated, Net	<u>23,075,331</u>	<u>64,875</u>	<u>75,306</u>	<u>23,215,512</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,149,086</u>	<u>\$ 103,620</u>	<u>\$ (152)</u>	<u>\$ 25,252,554</u>
<b>Business-Type Activities:</b>				
Capital Assets, being Depreciated:				
Equipment	\$ 871,842	\$ 49,611	\$ (5,963)	\$ 915,490
Less Accumulated Depreciation	(471,888)	(39,373)	4,904	(506,357)
Business-Type Activities Capital Assets, Net	<u>\$ 399,954</u>	<u>\$ 10,238</u>	<u>\$ (1,059)</u>	<u>\$ 409,133</u>

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

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

<b>Governmental Activities:</b>	
Instruction	\$ 779,630
Student & Instruction Related Services	216,118
General and Business Administrative Services	107,783
Plant Operations and Maintenance	152,307
Pupil Transportation	<u>103,603</u>
Total Depreciation- Governmental Activities	<u>\$ 1,359,441</u>
<b>Business-Type Activities:</b>	
Food Services	<u>\$ 39,373</u>
Total Depreciation Expenses – Business-Type Activities	<u>\$ 39,373</u>

**Note 8: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 7,675,000	_____	\$ (1,120,000)	\$ 6,555,000	\$ 1,135,000
Unamortized Cost of Premium on Bonds	679,890	_____	(103,275)	576,615	_____
Other Liabilities:					
Net Pension Liability	10,901,126	\$ 4,585,523	(6,828,174)	8,658,475	
Compensated Absences	776,022	109,685	(101,503)	784,204	235,261
Total Other Liabilities	<u>11,677,148</u>	<u>4,695,208</u>	<u>(6,929,677)</u>	<u>9,442,679</u>	<u>235,261</u>
Governmental Activities Long-term Liabilities	<u>\$ 20,032,038</u>	<u>\$ 4,695,208</u>	<u>\$ (8,152,952)</u>	<u>\$ 16,574,294</u>	<u>\$ 1,370,261</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	2019 to 2021	5.35%	\$ 70,000
2015	10,910,000	2020 to 2025	4.00%	6,485,000
				<u>\$ 6,555,000</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>
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	1,080,000	85,600	1,165,600
2025	1,060,000	42,400	1,102,400
	<u>\$ 6,555,000</u>	<u>\$ 907,625</u>	<u>\$ 7,462,625</u>

**Bonds Authorized But Not Issued** - As of June 30, 2019, 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, 2019, 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>
2020	\$ 272,733
2021	266,126
2022	192,745
2023	85,031
2024	45,781
	<u>\$ 862,416</u>

Rental payments under operating leases for the fiscal year ended June 30, 2019 were \$193,485.

**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  
<https://www.nj.gov/treasury/pensions/financial-reports.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' 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 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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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 7.50% in State fiscal year 2019. 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 2018, 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, 2019 was 13.73% 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, 2019 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, 2018, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2019 was \$2,599,205, and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$1,452,114.

**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 7.50% in State fiscal year 2019. 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, 2019 was 13.99% 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, 2018, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$437,410, and was paid by April 1, 2019. School District employee contributions to the Plan during the fiscal year ended June 30, 2019 were \$241,907.

**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, 2019, employee contributions totaled \$22,594, and the School District recognized pension expense, which equaled the required contributions, of \$12,449. 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, 2019, 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>109,387,485</u>
	<u>\$ 109,387,485</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. For the June 30, 2018 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, 2018, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2018 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.1719446375%, which was an increase of 0.0035659540% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized \$6,376,908 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, 2018 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, 2019, the School District reported a liability of \$8,658,475 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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, 2018 measurement date, the School District's proportion was 0.0439750829%, which was a decrease of 0.0028542763% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized pension expense of \$422,084, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date.

At June 30, 2019, 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	\$ 165,118	\$ 44,646
Changes of Assumptions	1,426,773	2,768,520
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	81,217
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contribution	294,925	581,638
School District Contributions Subsequent to the Measurement Date	<u>436,441</u>	<u>-</u>
	<u>\$ 2,323,257</u>	<u>\$ 3,476,021</u>

\$436,441, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2020. 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>
2020	\$ 2,193
2021	(121,598)
2022	(631,830)
2023	(600,331)
2024	<u>(237,639)</u>
	<u>\$ (1,589,205)</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	-
June 30, 2018	-	5.63
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
June 30, 2018	-	5.63
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
June 30, 2018	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
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
June 30, 2018	5.63	5.63

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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:		
Through 2026	1.55% - 4.15% Based on Yrs of Service	1.65% - 4.15% Based on Age
Thereafter	2.00% - 5.45% Based on Yrs of Service	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 mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, 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 Conduent modified 2014 projection scale. Postretirement 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. 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, 2018) 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.



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

**Actuarial Assumptions (Cont'd)** - Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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, 2018 were 4.86% and 5.66% 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 3.87% as of June 30, 2018, 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 assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% 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 2040 for TPAF and 2046 for PERS. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for TPAF and 2046 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, 2018, the Plan's 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 4.86%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>TPAF</b>		
	<b>1% Decrease (3.86%)</b>	<b>Current Discount Rate (4.86%)</b>	<b>1% Increase (5.86%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of the Net Pension Liability associated with the School District	129,293,930	109,387,485	92,885,527
	<u>\$ 129,293,930</u>	<u>\$ 109,387,485</u>	<u>\$ 92,885,527</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 10,887,034</u>	<u>\$ 8,658,475</u>	<u>\$ 6,788,856</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.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 OPEB Plan's Measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	<u>-</u>
	<u>362,181</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, 2019 was \$82,145,383. 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, 2018, and was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. For the June 30, 2018 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the School District was 0.1781476883%, which was an increase of 0.0007464307% from its proportion measured as of June 30, 2017.

**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, 2017 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-2006 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-2006 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-2006 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, 2017 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. 100% of all retirees who currently have healthcare coverage were assumed to continue with that coverage. 100% of active members were considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Health Care Trend Assumptions** - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven 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, 2018 was 3.87%. 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)****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, 2018		\$ 95,157,754
Changes for the Year:		
Service Cost	\$ 3,563,095	
Interest Cost	3,496,581	
Difference Between Expected and Actual Experience	(8,524,831)	
Changes in Assumptions	(9,426,594)	
Gross Benefit Payments	(2,196,538)	
Member Contributions	<u>75,916</u>	
Net Changes		<u>(13,012,371)</u>
Balance at June 30, 2019		<u><u>\$ 82,145,383</u></u>

There were no changes in benefit terms between the June 30, 2017 measurement date and the June 30, 2018 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes of Assumptions reflect a decrease in the liability from June 30, 2017 to June 30, 2018 due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

**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, 2018, associated with the School District, using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 97,112,565</u>	<u>\$ 82,145,383</u>	<u>\$ 70,248,019</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, 2018, 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% Decrease	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>\$ 67,897,943</u>	<u>\$ 82,145,383</u>	<u>\$ 100,988,167</u>

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

For the fiscal year ended June 30, 2019, the School District recognized \$3,844,239 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, 2018 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, 2019, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	\$ 400,656	\$ 183,088
Differences Between Expected and Actual Experience	-	7,974,044
Changes of Assumptions	-	18,413,307
	<u>\$ 400,656</u>	<u>\$ 26,570,439</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:

Fiscal Year Ending June 30,	
2020	\$ (3,228,786)
2021	(3,228,786)
2022	(3,228,786)
2023	(3,228,786)
2024	(3,228,786)
Thereafter	<u>(10,025,853)</u>
	<u>\$ (26,169,783)</u>

**Note 12: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2019, 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 \$3,470,860, \$71,165, \$1,574,377, and \$5,034, 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 commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ 3,831	\$ 41,245	\$ 57,299	\$ 335,756
2018	2,092	41,747	94,212	347,979
2017	2,768	39,447	35,176	398,352

**Joint Insurance Fund** - The School District is a member of the Burlington County Municipal Insurance 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, 2019, 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, 2019, the liability for compensated absences reported on the government-wide statement of net position was \$784,204.

**Note 16: INTERFUND RECEIVABLES, PAYABLES AND TRANSFER**

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 658,531	
Special Revenue		\$ 658,196
Proprietary		335
	<u>\$ 658,531</u>	<u>\$ 658,531</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2020, 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	\$ 736,777
Total Transfers	<u>\$ 736,777</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 \$1,690,343 in the general fund and \$142,540 in the special revenue fund as of June 30, 2019 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 \$1,832,883 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 restrict 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, 2019 is \$666,061. Additionally, \$684,143 of excess fund balance generated during 2017-2018 has been restricted and designated for utilization in the 2019-2020 budget.

**For Capital Reserve Account** - As of June 30, 2019, the balance in the capital reserve account is \$3,072,266. 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, 2019, the balance in the maintenance reserve account is \$251,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**For Emergency Reserve** - As of June 30, 2019, the balance in the emergency reserve is \$11,490. 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 restricted fund balance 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, 2020, \$1 of debt service fund balance at June 30, 2019.

**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, 2019, the School District had \$275,359 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, 2019, \$(1,690,343) of general fund balance was unassigned.

**Special Revenue Fund** - As of June 30, 2019, the fund balance of the special revenue fund was a deficit of \$142,540, 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 \$142,540 is less than the last state aid payment.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

REVENUES:	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Local Sources:					
Local Tax Levy	\$ 13,312,379		\$ 13,312,379	\$ 13,312,379	
Interest Earned on Capital Reserve Fund	2,500		2,500	2,500	
Interest Earned on Maintenance Reserve	500		500	500	
Interest	20,000		20,000	68,376	\$ 48,376
Tuition	650,000		650,000	641,363	(8,637)
Tuition from Summer School				12,958	12,958
Unrestricted Misc. Revenues	20,000		20,000	18,745	(1,255)
<b>Total - Local Sources</b>	<u>14,005,379</u>	<u>-</u>	<u>14,005,379</u>	<u>14,056,821</u>	<u>51,442</u>
State Sources:					
Equalization Aid	23,200,961		23,200,961	23,200,961	-
Categorical Transportation Aid	834,376		834,376	834,376	-
Categorical Security Aid	1,217,920		1,217,920	1,217,920	-
Categorical Special Education Aid	1,431,101		1,431,101	1,431,101	-
Extraordinary Aid	150,000		150,000	260,400	110,400
Nonpublic Transportation Aid				27,336	27,336
School Choice Aid	297,472		297,472	297,472	-
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				3,470,860	3,470,860
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				71,165	71,165
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				5,034	5,034
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,574,377	1,574,377
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,403,423	1,403,423
<b>Total - State Sources</b>	<u>27,131,830</u>	<u>-</u>	<u>27,131,830</u>	<u>33,794,425</u>	<u>6,662,595</u>
Federal Sources:					
Medicaid Reimbursement	98,447		98,447	181,171	82,724
<b>Total - Federal Sources</b>	<u>98,447</u>	<u>-</u>	<u>98,447</u>	<u>181,171</u>	<u>82,724</u>
<b>Total Revenues</b>	<u>41,235,656</u>	<u>-</u>	<u>41,235,656</u>	<u>48,032,417</u>	<u>6,796,761</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES:	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 569,676	\$ 2,218	\$ 571,894	\$ 557,832	\$ 14,062
Grades 1-5	3,363,019	(77,299)	3,285,720	3,269,416	16,304
Grades 6-8	2,552,270	(90,004)	2,462,266	2,443,609	18,657
Grades 9-12	3,080,690	(171)	3,080,519	3,060,177	20,342
Regular Programs - Home Instruction:					
Salaries of Teachers	75,000	(23,332)	51,668	51,668	-
Purchased Professional/Educational Services	45,000	7,442	52,442	22,119	30,323
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	55,977	(16,360)	39,617	33,836	5,781
Purchased Professional/Educational Services	477,783	193,433	671,216	657,696	13,520
Other Purchased Services	141,859	(3,198)	138,661	123,174	15,487
General Supplies	888,379	(68,564)	819,815	478,361	341,454
Textbooks	6,500	(1,552)	4,948	2,863	2,085
Total Regular Programs	<u>11,256,153</u>	<u>(77,387)</u>	<u>11,178,766</u>	<u>10,700,751</u>	<u>478,015</u>
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	108,016	18,033	126,049	126,049	-
Other Salaries for Instruction	47,661	719	48,380	48,359	21
Purchased Professional/Educational Services		8,479	8,479	5,029	3,450
General Supplies	1,636		1,636	1,501	135
Total Learning and Language Disabled	<u>157,313</u>	<u>27,231</u>	<u>184,544</u>	<u>180,938</u>	<u>3,606</u>
Behavioral Disabilities					
Salaries of Teacher	135,583	7,359	142,942	142,942	-
Other Salaries for Instruction	31,143	(15,448)	15,695	15,695	-
General Supplies	937		937	237	700
Total Behavioral Disabilities	<u>167,663</u>	<u>(8,089)</u>	<u>159,574</u>	<u>158,874</u>	<u>700</u>
Multiple Disabilities					
Salaries of Teacher	337,215	14,755	351,970	351,970	-
Other Salaries for Instruction	173,501	19,590	193,091	192,702	389
Purchased Professional/Educational Services		9,496	9,496	2,775	6,721
General Supplies	19,624	(5,966)	13,658	13,652	6
Total Multiple Disabilities	<u>530,340</u>	<u>37,875</u>	<u>568,215</u>	<u>561,099</u>	<u>7,116</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room/ Resource Center					
Salaries of Teachers	\$ 2,059,731	\$ (147,679)	\$ 1,912,052	\$ 1,909,057	\$ 2,995
Other Salaries for Instruction	53,518	25,497	79,015	79,015	-
Purchased Professional/Educational Services		36,997	36,997	36,997	-
General Supplies	18,412	(4,696)	13,716	12,630	1,086
Total Resource Room/ Resource Center	<u>2,131,661</u>	<u>(89,881)</u>	<u>2,041,780</u>	<u>2,037,699</u>	<u>4,081</u>
Home Instruction					
Salaries of Teachers	25,000	(7,943)	17,057	9,777	7,280
Purchased Professional - Educational Services	45,000	6,162	51,162	37,443	13,719
Total Home Instruction	<u>70,000</u>	<u>(1,781)</u>	<u>68,219</u>	<u>47,220</u>	<u>20,999</u>
Total Special Education - Instruction	<u>3,056,977</u>	<u>(34,645)</u>	<u>3,022,332</u>	<u>2,985,830</u>	<u>36,502</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	859,954	190,200	1,050,154	1,050,154	-
Purchased Professional - Educational Services	2,630	9,758	12,388	12,388	-
General Supplies	45,913	2,890	48,803	48,512	291
Total Basic Skills/ Remedial - Instruction	<u>908,497</u>	<u>202,848</u>	<u>1,111,345</u>	<u>1,111,054</u>	<u>291</u>
Bilingual Education - Instruction					
Salaries of Teachers	1,148,686	33,199	1,181,885	1,143,641	38,244
Other Salaries for Instruction	65,470	(5,296)	60,174	40,773	19,401
General Supplies	44,753	(14,851)	29,902	24,198	5,704
Total Bilingual Education - Instruction	<u>1,258,909</u>	<u>13,052</u>	<u>1,271,961</u>	<u>1,208,612</u>	<u>63,349</u>
School Sponsored Cocurricular Activities - Instruction					
Salaries of Teachers	147,175		147,175	133,994	13,181
Purchased Services	40,250	858	41,108	27,819	13,289
Supplies and Materials	19,183	(858)	18,325	10,029	8,296
Total School Sponsored Cocurricular Activities - Instruction	<u>206,608</u>	<u>-</u>	<u>206,608</u>	<u>171,842</u>	<u>34,766</u>
School Sponsored Athletics - Instruction					
Salaries	348,682	3,637	352,319	346,256	6,063
Purchased Services	43,661		43,661	33,358	10,303
Supplies & Materials	76,306	(2,500)	73,806	50,752	23,054
Other Objects	34,200	2,079	36,279	24,857	11,422
Total School Sponsored Athletics - Instruction	<u>502,849</u>	<u>3,216</u>	<u>506,065</u>	<u>455,223</u>	<u>50,842</u>
Total Instruction	<u>17,189,993</u>	<u>107,084</u>	<u>17,297,077</u>	<u>16,633,312</u>	<u>663,765</u>

(Continued)



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 50,000	\$ 195,560	\$ 245,560	\$ 222,256	\$ 23,304
Tuition to Other LEA's Within State - Special		32,586	32,586	30,293	2,293
Tuition to County Voc. School Dist. - Regular	319,558		319,558	319,558	-
Tuition to CSSD and Regional Day Schools	278,178	(27,561)	250,617	232,064	18,553
Tuition to Private Schools for the Disabled - Within State	1,700,000	(200,585)	1,499,415	1,210,606	288,809
Tuition - State Facilities	169,367		169,367	169,367	-
Total Undistributed Expenditures - Instruction	<u>2,517,103</u>	<u>-</u>	<u>2,517,103</u>	<u>2,184,144</u>	<u>332,959</u>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	129,525	1,429	130,954	130,205	749
Salaries of Family Liaisons	21,955		21,955	21,420	535
Purchased Professional & Technical Services	17,340	(161)	17,179	17,179	-
Total Undistributed Expenditures - Attendance and Social Work	<u>168,820</u>	<u>1,268</u>	<u>170,088</u>	<u>168,804</u>	<u>1,284</u>
Undistributed Expenditures - Health Services:					
Salaries	291,174	(97,839)	193,335	192,018	1,317
Purchased Professional and Technical Services	36,000	88,068	124,068	118,706	5,362
Other Purchased Services	5,707		5,707	5,707	-
Supplies and Materials	18,961	34	18,995	11,368	7,627
Total Undistributed Expenditures - Health Services	<u>351,842</u>	<u>(9,737)</u>	<u>342,105</u>	<u>327,799</u>	<u>14,306</u>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	224,681	11,431	236,112	236,112	-
Purchased Professional - Educational Services	323,654	(32,748)	290,906	212,425	78,481
Supplies and Materials	7,925	762	8,687	6,436	2,251
Total Undistributed Expenditures - Other Support Services - Students - Related Services	<u>556,260</u>	<u>(20,555)</u>	<u>535,705</u>	<u>454,973</u>	<u>80,732</u>
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	187,477	(91,841)	95,636	92,251	3,385
Purchased Professional - Educational Services	535,677	109,330	645,007	550,676	94,331
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	<u>723,154</u>	<u>17,489</u>	<u>740,643</u>	<u>642,927</u>	<u>97,716</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Guidance:					
Salaries of Other Professional Staff	\$ 566,326	\$ 11,553	\$ 577,879	\$ 577,857	\$ 22
Purchased Professional - Educational Services	16,590		16,590	14,546	2,044
Supplies and Materials	21,932	(1)	21,931	14,491	7,440
Other Objects	225		225	225	-
Total Undistributed Expenditures - Other Support Services -					
Students - Guidance	<u>605,073</u>	<u>11,552</u>	<u>616,625</u>	<u>607,119</u>	<u>9,506</u>
Undistributed Expenditures - Other Support Services -					
Students - Child Study Team:					
Salaries of Other Professional Staff	849,246	(1,683)	847,563	845,949	1,614
Salaries of Secretarial and Clerical Assistants	141,716	3,306	145,022	145,022	-
Other Purchased Professional and Technical Services	64,615	1,693	66,308	51,302	15,006
Miscellaneous Purchased Services	10,270	95	10,365	4,932	5,433
Supplies & Materials	16,984	430	17,414	11,293	6,121
Total Undistributed Expenditures - Other Support Services -					
Students - Child Study Team	<u>1,082,831</u>	<u>3,841</u>	<u>1,086,672</u>	<u>1,058,498</u>	<u>28,174</u>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	780,936	(6,505)	774,431	751,925	22,506
Salaries of Other Professional Staff	21,628	(759)	20,869	12,892	7,977
Salaries of Facilitators, Math & Literacy	134,895	4,959	139,854	139,621	233
Supplies and Materials	500		500	168	332
Total Undistributed Expenditures - Improvement of Instruction Services	<u>937,959</u>	<u>(2,305)</u>	<u>935,654</u>	<u>904,606</u>	<u>31,048</u>
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	220,148	(13,727)	206,421	201,084	5,337
Salaries of Technology Coordinators	110,319	3,192	113,511	100,990	12,521
Purchased Professional and Technical Services	31,075	454	31,529	31,031	498
Supplies and Materials	39,817	(2,183)	37,634	23,836	13,798
Total Undistributed Expend. - Educational Media Services / Sch Library	<u>401,359</u>	<u>(12,264)</u>	<u>389,095</u>	<u>356,941</u>	<u>32,154</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff		222	222	222	-
Purchased Professional - Educational Services	39,225	50,609	89,834	86,549	3,285
Other Purchased Services	10,500	(9,475)	1,025	720	305
Supplies and Materials	1,100	601	1,701	1,701	-
Total Undistributed Expenditures - Instructional Staff Training Services	<u>50,825</u>	<u>41,957</u>	<u>92,782</u>	<u>89,192</u>	<u>3,590</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 276,319		\$ 276,319	\$ 276,319	
Salaries of Governance Staff	3,200		3,200	3,200	
Legal Services	45,000	\$ (3,678)	41,322	38,822	\$ 2,500
Audit Fees	26,000		26,000	25,960	40
Architectual/Engineering Services	20,000	29,332	49,332	40,400	8,932
Communications / Telephone	75,240	(5,533)	69,707	69,707	-
BOE Other Purchased Services	4,500	95	4,595	4,405	190
Miscellaneous Purchased Services	115,734	(7,113)	108,621	108,412	209
General Supplies	4,000		4,000	3,706	294
BOE In-House Training/Meeting Supplies	2,420		2,420	2,175	245
Miscellaneous Expenditures	10,250	(405)	9,845	9,154	691
BOE Membership Dues and Fees	21,800	1,500	23,300	23,197	103
Total Undistributed Expenditures - Support Services - General Admin	<u>604,463</u>	<u>14,198</u>	<u>618,661</u>	<u>605,457</u>	<u>13,204</u>
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	1,096,523	5,595	1,102,118	1,102,118	-
Salaries of Secretarial and Clerical Assistants	481,090	5,700	486,790	482,854	3,936
Purchased Professional and Technical Services	39,750		39,750	37,251	2,499
Other Purchased Services	34,070	(363)	33,707	28,109	5,598
Supplies and Materials	24,658	1,327	25,985	24,834	1,151
Other Objects	26,650	(743)	25,907	18,918	6,989
Total Undistributed Expenditures - Support Services - School Admin.	<u>1,702,741</u>	<u>11,516</u>	<u>1,714,257</u>	<u>1,694,084</u>	<u>20,173</u>
Undistributed Expenditures - Central Services					
Salaries	403,806	953	404,759	404,759	-
Purchased Professional Services	13,550	(3,569)	9,981	8,186	1,795
Purchased Technical Services	28,450	13,939	42,389	31,068	11,321
Miscellaneous Purchased Services	6,970	63	7,033	6,988	45
Supplies and Materials	4,773	(701)	4,072	3,808	264
Interest on Current Loans	2,250		2,250		2,250
Miscellaneous Expenditures	2,600	2,864	5,464	5,464	-
Total Undistributed Expenditures - Central Services	<u>462,399</u>	<u>13,549</u>	<u>475,948</u>	<u>460,273</u>	<u>15,675</u>
Undistributed Expenditures - Admin. Info. Technology					
Salaries	100,526	2264	102,790	102,790	-
Purchased Technical Services	98,940	4,656	103,596	88,536	15,060
Other Purchased Services		598	598	598	-
Supplies and Materials	40,000	33,574	73,574	63,638	9,936
Total Undistributed Expenditures - Admin. Info. Technology	<u>239,466</u>	<u>41,092</u>	<u>280,558</u>	<u>255,562</u>	<u>24,996</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Cleaning, Repair and Maintenance Services	\$ 200,000	\$ 69,743	\$ 269,743	\$ 243,390	\$ 26,353
General Supplies	59,600	47,966	107,566	102,609	4,957
Other Objects	17,500	5,485	22,985	22,985	-
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	<u>277,100</u>	<u>123,194</u>	<u>400,294</u>	<u>368,984</u>	<u>31,310</u>
Undistributed Expenditures - Custodial Services:					
Salaries	1,256,508	(102,217)	1,154,291	1,154,291	-
Purchased Professional and Technical Services		18,222	18,222	18,222	-
Cleaning, Repair, and Maintenance of Plant Services	49,000	(27,912)	21,088	18,075	3,013
Other Purchased Property Services	77,600	(2,979)	74,621	74,621	-
Insurance	202,379	500	202,879	202,879	-
General Supplies	139,500	53,619	193,119	169,162	23,957
Energy (Natural Gas)	290,000	(45,618)	244,382	244,044	338
Energy (Electricity)	600,000	(38,171)	561,829	543,920	17,909
Other Objects	3,500	6,121	9,621	9,420	201
Total Undistributed Expenditures - Custodial Services	<u>2,618,487</u>	<u>(138,435)</u>	<u>2,480,052</u>	<u>2,434,634</u>	<u>45,418</u>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	170,389	25,313	195,702	194,448	1,254
Cleaning, Repair, and Maintenance Services	16,500	1,075	17,575	17,083	492
General Supplies	42,500	(17,237)	25,263	25,263	-
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>229,389</u>	<u>9,151</u>	<u>238,540</u>	<u>236,794</u>	<u>1,746</u>
Undistributed Expenditures - Security:					
Salaries	78,434	(3,426)	75,008	75,008	-
Purchased Professional and Technical Services	114,000	15,008	129,008	129,008	-
Cleaning, Repair, and Maintenance Services	12,500	(5,178)	7,322	2,162	5,160
General Supplies		3,037	3,037	2,857	180
Total Undistributed Expenditures - Security	<u>204,934</u>	<u>9,441</u>	<u>214,375</u>	<u>209,035</u>	<u>5,340</u>
Total Undistributed Expenditures - Operation and Maintenance Plant Services	<u>3,329,910</u>	<u>3,351</u>	<u>3,333,261</u>	<u>3,249,447</u>	<u>83,814</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd):					
Student Transportation Services:					
Salaries for Non-Instructional Aides		\$ 5,043	\$ 5,043	\$ 5,043	
Salaries for Pupil Transportation (Home and School) - Reg.	\$ 58,389	12,820	71,209	71,209	
Management Fee - ESC & CTSA Trans. Prog		39,994	39,994	39,404	\$ 590
Other Purchased Prof. and Technical Serv.	4,000	450	4,450	4,450	-
Cleaning, Repair, and Maintenance Services	5,000	440	5,440	5,440	-
Rental Payments - School Buses		1,300	1,300	1,300	-
Lease Purchase Payments - School Buses	21,000	4,200	25,200	25,200	-
Contracted Services - Aid in Lieu - Non Public School	85,000	(8,000)	77,000	77,000	-
Contracted Services - Aid in Lieu - Charter School	50,000	(6,000)	44,000	44,000	-
Contracted Services - Aid in Lieu - Choice School	35,000	(1,500)	33,500	33,500	-
Contracted Services - (Home and School) - Vendors	824,426	34,366	858,792	743,500	115,292
Contracted Services - (Not Home and School) - Vendors	112,000	(17,798)	94,202	93,710	492
Contracted Services - (Special Education students) - Vendors	425,496	(7,800)	417,696	417,696	-
Contracted Services (Regular Education Students) - ESC's	115,000	11,574	126,574	126,574	-
Contracted Services (Special Education Students) - ESC's	490,000	19,513	509,513	509,513	-
Miscellaneous Purchased Services - Transportation	750	114	864	864	-
Transportation Supplies	10,500	2,226	12,726	11,885	841
Other Objects	38,750	(38,500)	250	75	175
Total Student Transportation Services	<u>2,275,311</u>	<u>52,442</u>	<u>2,327,753</u>	<u>2,210,363</u>	<u>117,390</u>
Unallocated Benefits:					
Group Insurance	62,400		62,400	45,674	16,726
Social Security Contributions	450,000		450,000	424,522	25,478
Pension Contributions - Normal	465,000	(21,657)	443,343	440,126	3,217
DCRP Pension Contributions	18,000		18,000	12,449	5,551
Workmen's Compensation	220,552		220,552	220,552	-
Health Benefits	5,849,127	(81,381)	5,767,746	5,464,038	303,708
Tuition Reimbursement	50,000		50,000	48,159	1,841
Other Employee Benefits	220,300	21,657	241,957	241,791	166
Unused Sick Payment to Terminated/Retired Staff	75,000		75,000	15,305	59,695
Total Unallocated Benefits	<u>7,410,379</u>	<u>(81,381)</u>	<u>7,328,998</u>	<u>6,912,616</u>	<u>416,382</u>
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				3,470,860	(3,470,860)
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				71,165	(71,165)
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				5,034	(5,034)
On-behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,574,377	(1,574,377)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,403,423	(1,403,423)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,524,859</u>	<u>(6,524,859)</u>
Total Undistributed Expenditures	<u>23,419,895</u>	<u>86,013</u>	<u>23,505,908</u>	<u>28,707,664</u>	<u>(5,201,756)</u>
Interest Earned on Current Expense Maintenance Reserve	<u>500</u>	<u>(500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Expense	<u>40,610,388</u>	<u>192,597</u>	<u>40,802,985</u>	<u>45,340,976</u>	<u>(4,537,991)</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve:	\$ 2,500	\$ (2,500)			
Total Capital Reserve:	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equipment:					
Regular Programs - Instruction					
Grades 6-8		11,137	\$ 11,137	\$ 11,137	
Multiple Disabilities		2,618	2,618	2,618	
School Sponsored Instruction - Athletic Equipment		4,930	4,930	4,930	
Undistributed Expenditures:					
Support Serv. - Students - Special	7,900	(2,618)	5,282	4,500	\$ 782
Admin. Info. Technology	2,500	72,338	74,838	72,338	2,500
Custodial Services	10,000	73,083	83,083	30,146	52,937
Care and Upkeep of Grounds		20,506	20,506	9,757	10,749
Total Equipment	<u>20,400</u>	<u>181,994</u>	<u>202,394</u>	<u>135,426</u>	<u>66,968</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		119,647	119,647	80,092	39,555
Other Purchased Prof. and Tech. Services	209,835	37,121	246,956	86,956	160,000
Construction Services	1,191,400	(3,140)	1,188,260	1,093,620	94,640
Assessment for Debt Service	19,250		19,250	19,250	-
Total Facilities Acquisition and Construction Services	<u>1,420,485</u>	<u>153,628</u>	<u>1,574,113</u>	<u>1,279,918</u>	<u>294,195</u>
Total Capital Outlay	<u>1,443,385</u>	<u>333,122</u>	<u>1,776,507</u>	<u>1,415,344</u>	<u>361,163</u>

(Continued)

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	\$ 3,000	\$ 12,910	\$ 15,910	\$ 15,910	
Total Summer School - Instruction	<u>3,000</u>	<u>12,910</u>	<u>15,910</u>	<u>15,910</u>	
Transfer of Funds to Charter School	<u>575,000</u>		<u>575,000</u>	<u>523,176</u>	\$ 51,824
Total Expenditures	<u>42,631,773</u>	<u>538,629</u>	<u>43,170,402</u>	<u>47,295,406</u>	<u>(4,125,004)</u>
<b>Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,396,117)</u>	<u>(538,629)</u>	<u>(1,934,746)</u>	<u>737,011</u>	<u>2,671,757</u>
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund	<u>(641,977)</u>	<u>(94,800)</u>	<u>(736,777)</u>	<u>(736,777)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(641,977)</u>	<u>(94,800)</u>	<u>(736,777)</u>	<u>(736,777)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,038,094)</u>	<u>(633,429)</u>	<u>(2,671,523)</u>	<u>234</u>	<u>2,671,757</u>
Fund Balances, July 1	<u>(150,287)</u>	<u>(1,252,830)</u>	<u>(1,403,117)</u>	<u>5,927,967</u>	<u>7,331,084</u>
Fund Balances, June 30	<u>\$ (2,188,381)</u>	<u>\$ (1,886,259)</u>	<u>\$ (4,074,640)</u>	<u>\$ 5,928,201</u>	<u>\$ 10,002,841</u>
<b>Recapitulation:</b>					
Restricted:					
Capital Reserve				\$ 3,072,266	
Emergency Reserve				11,490	
Maintenance Reserve				251,000	
Excess Surplus				666,061	
Excess Surplus--Designated for Subsequent Year's Expenditures				684,143	
Assigned:					
Year-End Encumbrances				275,359	
Unassigned				<u>967,882</u>	
				<u>5,928,201</u>	
Reconciliation to Governmental Funds Statements(GAAP):				<u>(2,658,225)</u>	
Last 18-19 State Aid Payment Not Recognized on GAAP Basis				<u>\$ 3,269,976</u>	

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
State Sources:					
Preschool Program Aid	\$ 1,232,430	\$ 98,204	\$ 1,330,634	\$ 1,239,189	\$ (91,445)
Total - State Sources	<u>1,232,430</u>	<u>98,204</u>	<u>1,330,634</u>	<u>1,239,189</u>	<u>(91,445)</u>
Federal Sources:					
Title I	1,199,232	331,518	1,530,750	1,493,352	(37,398)
Title I SIA		796,724	796,724	264,442	(532,282)
Title I Rellocated		82,752	82,752	22,870	(59,882)
Title IIA	101,974	15,809	117,783	106,541	(11,242)
Title III	117,103	110,139	227,242	164,629	(62,613)
Title III Immigrant		13,968	13,968	13,968	-
Title IV		97,479	97,479	26,995	(70,484)
I.D.E.A., Part B	571,459	116,910	688,369	670,051	(18,318)
I.D.E.A., Part B, Preschool		25,663	25,663	25,663	-
Preschool Expansion	937,869	34,094	971,963	971,963	-
Total - Federal Sources	<u>2,927,637</u>	<u>1,625,056</u>	<u>4,552,693</u>	<u>3,760,474</u>	<u>(792,219)</u>
Total Revenues	<u>4,160,067</u>	<u>1,723,260</u>	<u>5,883,327</u>	<u>4,999,663</u>	<u>(883,664)</u>

(Continued)



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 1,708,952	\$ 372,450	\$ 2,081,402	\$ 1,798,401	\$ 283,001
Other Salaries for Instruction	284,626	(17,323)	267,303	247,864	19,439
Purchased Professional and Educational Services	90,187	110,789	200,976	87,233	113,743
Other Purchased Services (400-500 Series)	37,029	(32,115)	4,914	4,550	364
General Supplies	155,572	412,420	567,992	472,889	95,103
Tuition	571,459	142,573	714,032	695,714	18,318
<b>Total Instruction</b>	<u>2,847,825</u>	<u>988,794</u>	<u>3,836,619</u>	<u>3,306,651</u>	<u>529,968</u>
Support Services:					
Salaries Personnel Services	440,987	103,460	544,447	476,358	68,089
Personnel Services - Employee Benefits	963,405	265,752	1,229,157	1,063,170	165,987
Purchased Professional Educational Services	319,319	276,809	596,128	568,918	27,210
Cleaning, Repair, and Maintenance Services	70,000	48,900	118,900	118,437	463
Rentals	95,000	1,769	96,769	93,105	3,664
Other Purchased Services (400-500 series)	-	131,568	131,568	67,560	64,008
Contracted Services - Trans (Bet. Home & School)	41,213	(4,831)	36,382	28,298	8,084
Supplies and Materials	24,295	5,839	30,134	13,943	16,191
<b>Total Support Services</b>	<u>1,954,219</u>	<u>829,266</u>	<u>2,783,485</u>	<u>2,429,789</u>	<u>353,696</u>
<b>Total Expenditures</b>	<u>4,802,044</u>	<u>1,818,060</u>	<u>6,620,104</u>	<u>5,736,440</u>	<u>883,664</u>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	641,977	94,800	736,777	736,777	-
<b>Total Outflows</b>	<u>4,160,067</u>	<u>1,723,260</u>	<u>5,883,327</u>	<u>4,999,663</u>	<u>883,664</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<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, 2019

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	\$ 48,032,417	\$ 4,999,663
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		(147,163)
Prior Year		203,752
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)	2,543,378	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>(2,658,225)</u>	<u>(142,540)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 47,917,570</u>	<u>\$ 5,032,054</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 47,295,406	\$ 5,736,440
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		(147,163)
Prior Year		203,752
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 47,295,406</u>	<u>\$ 5,793,029</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 Six Plan Years

	<u>Measurement Date Ending June 30,</u>					
	<u>2018</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	0.0439750829%	0.0468293592%	0.0451968095%	0.0444988772%	0.0444136834%	0.0456354772%
School District's Proportionate Share of the Net Pension Liability	\$ 8,658,475	\$ 10,901,126	\$ 13,385,999	\$ 9,989,106	\$ 8,315,456	\$ 8,721,846
School District's Covered Payroll (Plan Measurement Period)	\$ 3,234,536	\$ 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	267.69%	321.20%	411.62%	275.22%	260.88%	263.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	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 Six Fiscal Years

	<u>Fiscal Year Ended June 30,</u>					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 436,441	\$ 437,410	\$ 433,824	\$ 401,522	\$ 382,571	\$ 366,140
Contributions in Relation to the Contractually Required Contribution	<u>(436,441)</u>	<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>	<u>\$ -</u>
School District's Covered Payroll	\$ 3,120,489	\$ 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	13.99%	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 Six Plan Years

	<u>Measurement Date Ending June 30,</u>					
	<u>2018</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%	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>	<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>109,387,485</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>
	<u>\$ 109,387,485</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)	\$ 21,624,236	\$ 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%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	505.86%	548.08%	626.77%	537.52%	451.40%	458.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	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, 2019

---

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

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The Discount Rate changed at June 30th over the following years, 4.68% 2014, 4.13% 2015, 3.22% 2016, 4.25% 2017 and 4.86% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011- June 30, 2015 experience study.

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

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, 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 social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

**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 Two Plan Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2018</u>	<u>2017</u>
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</b>		
Changes for the Year:		
Service Cost	\$ 3,563,095	\$ 4,307,939
Interest Cost	3,496,581	3,024,155
Difference Between Expected and Actual Experience	(8,524,831)	
Changes in Assumptions	(9,426,594)	(12,908,190)
Gross Benefit Payments	(2,196,538)	(2,204,056)
Member Contributions	<u>75,916</u>	<u>81,159</u>
Net Change in Total Non-Employer OPEB Liability	(13,012,371)	(7,698,993)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>95,157,754</u>	<u>102,856,747</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 82,145,383</u>	<u>\$ 95,157,754</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 21,399,105</u>	<u>\$ 21,152,374</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	383.87%	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, 2019

---

Changes in Benefit Terms - None

Differences Between Expected and Actual Experience - The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes of Assumptions - The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

**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, 2019

	<u>Total</u>	<u>Preschool Program Aid</u>	<u>Preschool Expansion</u>	<u>Title I Part A</u>	<u>Title I Reallocation</u>	<u>Title II Part A</u>	<u>Title III</u>	<u>Total Brought Forward</u>
REVENUES:								
State Sources	\$ 1,239,189	\$ 1,239,189						
Federal Sources	3,760,474		\$ 971,963	\$ 1,493,352	\$ 22,870	\$ 106,541	\$ 164,629	\$ 1,001,119
Total Revenues	<u>\$ 4,999,663</u>	<u>\$ 1,239,189</u>	<u>\$ 971,963</u>	<u>\$ 1,493,352</u>	<u>\$ 22,870</u>	<u>\$ 106,541</u>	<u>\$ 164,629</u>	<u>\$ 1,001,119</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers	\$ 1,798,401	\$ 644,553	\$ 112,241	\$ 871,823		\$ 40,393	\$ 48,653	\$ 80,738
Other Salaries for Instruction	247,864	214,473	33,391					-
Purchased Professional and Educational Services	87,233	62,566	12,516	12,151				-
Other Purchased Services (400-500 series)	4,550	3,724	826					-
General Supplies	472,889	26,696	79,900	129,227	\$ 22,870		81,220	132,976
Tuition	695,714							695,714
Total Instruction	<u>3,306,651</u>	<u>952,012</u>	<u>238,874</u>	<u>1,013,201</u>	<u>22,870</u>	<u>40,393</u>	<u>129,873</u>	<u>909,428</u>
Support Services:								
Other Salaries	476,358	310,219	133,162	8,911			3,182	20,884
Personnel Services - Employee Benefits	1,063,170	271,572	288,870	427,779		41,708	9,351	23,890
Purchased Professional - Educational Services	568,918	269,779	234,680			19,200	9,859	35,400
Cleaning, Repair, and Maintenance Services	118,437	68,019	50,418					-
Rentals	93,105	77,587	15,518					-
Other Purchased Services (400-500 series)	67,560			40,932		5,240	11,355	10,033
Contracted Services - Trans (Bet. Home & School)	28,298	21,767	6,531					-
Supplies and Materials	13,943	5,011	3,910	2,529			1,009	1,484
Total Support Services	<u>2,429,789</u>	<u>1,023,954</u>	<u>733,089</u>	<u>480,151</u>	<u>-</u>	<u>66,148</u>	<u>34,756</u>	<u>91,691</u>
Total Expenditures	<u>5,736,440</u>	<u>1,975,966</u>	<u>971,963</u>	<u>1,493,352</u>	<u>22,870</u>	<u>106,541</u>	<u>164,629</u>	<u>1,001,119</u>
Other Financing Sources (Uses):								
Transfer from Operating Budget - Pre K	<u>736,777</u>	<u>736,777</u>						-
Total Outflows	<u>4,999,663</u>	<u>1,239,189</u>	<u>971,963</u>	<u>1,493,352</u>	<u>22,870</u>	<u>106,541</u>	<u>164,629</u>	<u>1,001,119</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(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, 2019

	<u>Total Carried Forward</u>	<u>Title III Immigrant</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Preschool</u>	<u>Title I SIA</u>	<u>Title IV</u>
<b>REVENUES:</b>						
State Sources						
Federal Sources	\$ 1,001,119	\$ 13,968	\$ 670,051	\$ 25,663	\$ 264,442	\$ 26,995
<b>Total Revenues</b>	<b>\$ 1,001,119</b>	<b>\$ 13,968</b>	<b>\$ 670,051</b>	<b>\$ 25,663</b>	<b>\$ 264,442</b>	<b>\$ 26,995</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	\$ 80,738	\$ 12,975			\$ 67,763	
Other Salaries for Instruction	-					
Purchased Professional and Educational Services	-					
Other Purchased Services (400-500 series)	-					
General Supplies	132,976				129,488	\$ 3,488
Tuition	695,714		\$ 670,051	\$ 25,663		
<b>Total Instruction</b>	<b>909,428</b>	<b>12,975</b>	<b>670,051</b>	<b>25,663</b>	<b>197,251</b>	<b>3,488</b>
Support Services:						
Other Salaries	20,884				20,884	
Personnel Services - Employee Benefits	23,890	993			22,897	
Purchased Professional - Educational Services	35,400				20,400	15,000
Cleaning, Repair, and Maintenance Services	-					
Rentals	-					
Other Purchased Services (400-500 series)	10,033				3,010	7,023
Contracted Services - Trans (Bet. Home & School)	-					
Supplies and Materials	1,484					1,484
<b>Total Support Services</b>	<b>91,691</b>	<b>993</b>	<b>-</b>	<b>-</b>	<b>67,191</b>	<b>23,507</b>
<b>Total Expenditures</b>	<b>1,001,119</b>	<b>13,968</b>	<b>670,051</b>	<b>25,663</b>	<b>264,442</b>	<b>26,995</b>
Other Financing Sources (Uses):						
Transfer from Operating Budget - Pre K	-					
<b>Total Outflows</b>	<b>1,001,119</b>	<b>13,968</b>	<b>670,051</b>	<b>25,663</b>	<b>264,442</b>	<b>26,995</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Special Revenue Fund  
Schedule of Preschool Education Aid Expenditures  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>			
<b>Instruction</b>			
Salaries of Teachers	\$ 644,553	\$ 644,553	-
Other Salaries for Instruction	233,912	214,473	\$ 19,439
Purchased Professional and Educational Services	99,257	62,566	36,691
Other Purchased Services	4,088	3,724	364
General Supplies	27,650	26,696	954
<b>Total instruction</b>	<u>1,009,460</u>	<u>952,012</u>	<u>57,448</u>
<b>Support services</b>			
Salaries of Supervisors of Instruction	88,357	88,357	-
Other Support Salaries	222,613	221,862	751
Personal Services - Employee Benefits	271,572	271,572	-
Purchased Educational Services	278,559	269,779	8,780
Cleaning, Repair & Maintenance Services	68,482	68,019	463
Rentals	81,251	77,587	3,664
Contracted Services - Transportation (Bet. Home & School)	29,851	21,767	8,084
Supplies & Materials	17,266	5,011	12,255
<b>Total support services</b>	<u>1,057,951</u>	<u>1,023,954</u>	<u>33,997</u>
<b>Total expenditures</b>	<u>\$ 2,067,411</u>	<u>\$ 1,975,966</u>	<u>\$ 91,445</u>

Calculation of Budget and Carryover

Total Revised 2018-2019 Preschool Education Aid Allocation	\$ 1,425,400
Add: Actual ECPA Carryover (June 30, 2018)	205,515
Add: Budgeted Transfer from the General Fund 2018-2019	<u>736,777</u>
<b>Total Preschool Education Aid Funds Available for 2018-19 Budget</b>	<b>2,367,692</b>
Less: 2018-19 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(2,067,411)</u>
<b>Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2019</b>	<b>300,281</b>
Add: 2018-19 Unexpended Preschool Education Aid	91,445
Less: 2018-19 Commissioner Approved Transfer to General Fund	<u>-</u>
<b>2018-2019 Carryover -- Preschool Education Aid</b>	<b>\$ 391,726</b>
<b>2018-2019 Preschool Education Aid Carryover Budgeted in 2019-2020</b>	<b>\$ 205,515</b>

**PROPRIETARY FUND**

## BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Proprietary Fund  
Statement of Net Position  
June 30, 2019

---

	Business-Type Activities - <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 449,515
Accounts Receivable:	
State	940
Federal	79,605
Inventories	<u>20,489</u>
Total Current Assets	<u>550,549</u>
Noncurrent Assets:	
Equipment	915,490
Less Accumulated Depreciation	<u>(506,357)</u>
Total Noncurrent Assets	<u>409,133</u>
Total Assets	<u>959,682</u>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable	335
Accounts Payable	<u>3,333</u>
Total Current Liabilities	<u>3,668</u>
NET POSITION:	
Net Investment in Capital Assets	409,133
Unrestricted	<u>546,881</u>
Total Net Position	<u>\$ 956,014</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, 2019

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 115,329
Daily Sales - Non-Reimbursable Programs	29,289
Special Functions	<u>12,199</u>
Total Operating Revenues	<u>156,817</u>
<b>OPERATING EXPENSES:</b>	
Salaries	538,324
Employee Benefits	106,329
Supplies and Materials	111,578
Cost of Sales - Reimbursable Programs	948,835
Cost of Sales - Non-Reimbursable Programs	20,863
Other Purchased Professional Services	6,065
Management Fee	85,364
Repairs and Maintenance	13,442
Depreciation	39,373
Loss on Disposal of Equipment	<u>1,059</u>
Total Operating Expenses	<u>1,871,232</u>
Operating Income (Loss)	<u>(1,714,415)</u>
<b>NONOPERATING REVENUES:</b>	
State Sources:	
State School Lunch Program	19,682
Federal Sources:	
Healthy Hunger Free Kids Program	21,742
Fresh Fruits & Vegetables Program	35,849
National School Lunch Program	1,048,937
After School Snack	13,217
School Breakfast Program	485,309
Summer Feeding Program	8,174
United States Department of Agriculture Commodities	138,612
Interest and Investment Revenue	<u>4,706</u>
Total Nonoperating Revenues	<u>1,776,228</u>
Change in Net Position	61,813
Total Net Position -- July 1	<u>894,201</u>
Total Net Position -- June 30	<u><u>\$ 956,014</u></u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2019

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 156,817
Payments to Employees	(538,324)
Payments for Employee Benefits	(106,329)
Payments to Suppliers	<u>(1,076,131)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,563,967)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Cash Received from Federal and State Reimbursements	<u>1,674,292</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,674,292</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	<u>(49,611)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(49,611)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends	<u>4,706</u>
Net Cash Provided by (used for) Investing Activities	<u>4,706</u>
Net Increase (Decrease) in Cash and Cash Equivalents	65,420
Cash and Cash Equivalents -- July 1	<u>384,095</u>
Cash and Cash Equivalents -- June 30	<u>\$ 449,515</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (1,714,415)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	39,373
Loss on Disposal of Equipment	1,059
Federal Commodities	138,612
(Increase) Decrease in Inventories	(4,330)
Increase (Decrease) in Other Current Liabilities	<u>(24,266)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,563,967)</u>

**FIDUCIARY FUNDS**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2019

	<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>
<b>ASSETS:</b>						
Cash and Cash Equivalents	<u>\$ 335,756</u>	<u>\$ 2,043</u>	<u>\$ 337,799</u>	<u>\$ 76,697</u>	<u>\$ 304,787</u>	<u>\$ 381,484</u>
Total Assets	<u>335,756</u>	<u>2,043</u>	<u>337,799</u>	<u>\$ 76,697</u>	<u>\$ 304,787</u>	<u>\$ 381,484</u>
<b>LIABILITIES:</b>						
Payable to Student Groups				<u>\$ 76,697</u>		<u>\$ 76,697</u>
Payroll Deductions and Withholdings					<u>\$ 304,787</u>	<u>\$ 304,787</u>
Total Liabilities				<u>\$ 76,697</u>	<u>\$ 304,787</u>	<u>\$ 381,484</u>
<b>NET POSITION:</b>						
Held in Trust for Unemployment Claims and Other Purposes	<u>335,756</u>	<u>2,043</u>	<u>337,799</u>			
Total Net Position	<u>\$ 335,756</u>	<u>\$ 2,043</u>	<u>\$ 337,799</u>			

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2019

	<u>Private Purpose Trust Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	
ADDITIONS:			
Contributions:			
Employee Withholdings	\$ 41,245		\$ 41,245
Gifts and Contributions		\$ 1,800	1,800
Total Contributions	<u>41,245</u>	<u>1,800</u>	<u>43,045</u>
Investment Earnings:			
Interest	<u>3,831</u>	<u>23</u>	<u>3,854</u>
Net Investment Earnings	<u>3,831</u>	<u>23</u>	<u>3,854</u>
Total Additions	<u>45,076</u>	<u>1,823</u>	<u>46,899</u>
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	57,299		57,299
Scholarships Awarded		1,000	1,000
Total Deductions	<u>57,299</u>	<u>1,000</u>	<u>58,299</u>
Change in Net Position	(12,223)	823	(11,400)
Net Position -- July 1	<u>347,979</u>	<u>1,220</u>	<u>349,199</u>
Net Position -- June 30	<u>\$ 335,756</u>	<u>\$ 2,043</u>	<u>\$ 337,799</u>



**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2019

---

	<u>Balance</u> <u>June 30, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Elementary Schools	\$ 5,592	\$ 42,372	\$ 42,420	\$ 5,544
Middle School	11,874	38,314	36,891	13,297
High School	41,409	151,568	152,753	40,224
Athletics	<u>20,425</u>	<u>23,642</u>	<u>26,435</u>	<u>17,632</u>
Total All Schools	<u>\$ 79,300</u>	<u>\$ 255,896</u>	<u>\$ 258,499</u>	<u>\$ 76,697</u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2019

---

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 238,194	\$ 10,538,706	\$ 10,472,113	\$ 304,787
Total Assets	<u>\$ 238,194</u>	<u>\$ 10,538,706</u>	<u>\$ 10,472,113</u>	<u>\$ 304,787</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 238,194	\$ 10,538,706	\$ 10,472,113	\$ 304,787
Total Liabilities	<u>\$ 238,194</u>	<u>\$ 10,538,706</u>	<u>\$ 10,472,113</u>	<u>\$ 304,787</u>

**LONG-TERM DEBT**

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2019

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds of 2003	7/30/03	\$ 1,515,000	10/1/19	\$ 35,000	5.35%	\$ 105,000		\$ 35,000	\$ 70,000
			10/1/20	35,000	5.35%				
Refunding Bonds of 2015	3/3/15	10,910,000	6/1/20	1,100,000	4.00%	7,570,000		1,085,000	6,485,000
			6/1/21	1,080,000	4.00%				
			6/1/22	1,090,000	4.00%				
			6/1/23	1,075,000	4.00%				
			6/1/24	1,080,000	4.00%				
			6/1/25	1,060,000	4.00%				
						<u>7,570,000</u>		<u>1,085,000</u>	<u>6,485,000</u>
						<u>\$ 7,675,000</u>	<u>\$ -</u>	<u>\$ 1,120,000</u>	<u>\$ 6,555,000</u>

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 808,340		\$ 808,340	\$ 808,340	\$ -
Total - Local Sources	808,340		808,340	808,340	-
State Sources:					
Debt Service Aid Type II	619,491		619,491	619,491	-
Total Revenues	1,427,831	-	1,427,831	1,427,831	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	307,831		307,831	307,831	-
Redemption of Principal	1,120,000		1,120,000	1,120,000	-
Total Regular Debt Service	1,427,831	-	1,427,831	1,427,831	-
Total Expenditures	1,427,831	-	1,427,831	1,427,831	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1				1	1
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 1	\$ 1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

**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>2019</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>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 18,120,939	\$ 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
Restricted	4,684,961	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
Unrestricted (Deficit)	(12,612,031)	(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)
<b>Total Governmental Activities Net Position</b>	<b>\$ 10,193,869</b>	<b>\$ 8,994,674</b>	<b>\$ 7,990,886</b>	<b>\$ 7,825,013</b>	<b>\$ 6,813,488</b>	<b>\$ 15,105,825</b>	<b>\$ 9,669,385</b>	<b>\$ 8,981,781</b>	<b>\$ 7,541,235</b>	<b>\$ 5,421,570</b>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 409,133	\$ 399,954	\$ 410,900	\$ 410,900	\$ 223,664	\$ 231,683	\$ 127,346	\$ 105,440	\$ 114,833	\$ 133,785
Unrestricted	546,881	494,247	378,934	378,934	401,367	375,457	459,043	440,081	381,242	298,677
<b>Total Business-type Activities Net Position</b>	<b>\$ 956,014</b>	<b>\$ 894,201</b>	<b>\$ 789,834</b>	<b>\$ 789,834</b>	<b>\$ 625,031</b>	<b>\$ 607,140</b>	<b>\$ 586,389</b>	<b>\$ 545,521</b>	<b>\$ 496,075</b>	<b>\$ 432,462</b>
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 18,530,072	\$ 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
Restricted	4,684,961	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
Unrestricted (Deficit)	(12,065,150)	(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)
<b>Total District-wide Net Position</b>	<b>\$ 11,149,883</b>	<b>\$ 9,888,875</b>	<b>\$ 8,780,720</b>	<b>\$ 8,614,847</b>	<b>\$ 7,438,519</b>	<b>\$ 15,712,965</b>	<b>\$ 10,255,774</b>	<b>\$ 9,527,302</b>	<b>\$ 8,037,310</b>	<b>\$ 5,854,032</b>

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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 12,037,341	\$ 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
Special Education	3,862,558	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
Other Special Education	4,043,848	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
Support Services:										
Tuition	2,879,858	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
Student & Instruction Related Services	6,133,817	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
General and Business Administrative Services	633,836	565,254	594,395	629,492	608,154	761,716	810,175	632,440	813,817	930,570
School Administrative Services	1,773,488	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
Business Administrative Services	715,835	641,174	778,629	915,932	926,255	1,139,684	1,149,903	1,228,372	1,194,263	1,324,154
Plant Operations and Maintenance	3,578,140	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
Pupil Transportation	2,342,264	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
Unallocated	19,590,065	23,435,443	21,230,947	11,906,972	11,091,851					
Special Schools	539,086	490,541	475,397	330,703	305,972	252,410	163,701	14,023	39,213	99,156
Payment of Bond Issue Costs					149,148					
Interest on Long-term Debt	219,686	265,466	300,619	316,185	612,838	600,023	842,937	721,522	775,353	1,047,622
<b>Total Governmental Activities Expenses</b>	<b>58,349,822</b>	<b>59,765,669</b>	<b>56,877,012</b>	<b>46,573,795</b>	<b>44,822,074</b>	<b>42,744,345</b>	<b>42,763,922</b>	<b>40,944,288</b>	<b>40,294,700</b>	<b>41,863,068</b>
<b>Business-type Activities:</b>										
Food Service	1,871,232	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
<b>Total Business-type Activities Expense</b>	<b>1,871,232</b>	<b>1,723,280</b>	<b>1,675,577</b>	<b>1,646,981</b>	<b>1,522,209</b>	<b>1,448,127</b>	<b>1,363,897</b>	<b>1,156,489</b>	<b>1,070,533</b>	<b>1,112,903</b>
<b>Total District Expenses</b>	<b>\$ 60,221,054</b>	<b>\$ 61,488,949</b>	<b>\$ 58,552,589</b>	<b>\$ 48,220,776</b>	<b>\$ 46,344,283</b>	<b>\$ 44,192,472</b>	<b>\$ 44,127,819</b>	<b>\$ 42,100,777</b>	<b>\$ 41,365,233</b>	<b>\$ 42,975,971</b>

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

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 654,321	\$ 702,160	\$ 985,391	\$ 942,735	\$ 829,453	\$ 714,384	\$ 445,471	\$ 248,950		
Operating Grants and Contributions	10,136,799	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
Capital Grants and Contributions	66,969									
<b>Total Governmental Activities Program Revenues</b>	<b>10,858,089</b>	<b>14,614,777</b>	<b>5,137,467</b>	<b>5,298,709</b>	<b>4,243,208</b>	<b>3,878,082</b>	<b>3,680,976</b>	<b>3,273,736</b>	<b>4,072,089</b>	<b>3,410,852</b>
Business-type activities:										
Charges for services:										
Food Service	156,817	156,201	150,704	179,476	176,169	177,684	202,231	217,735	189,935	241,376
Operating Grants and Contributions	1,771,522	1,669,919	1,652,076	1,503,593	1,363,103	1,290,015	1,199,912	984,891	941,095	842,938
<b>Total Business-type Activities Program Revenues</b>	<b>1,928,339</b>	<b>1,826,120</b>	<b>1,802,780</b>	<b>1,683,069</b>	<b>1,539,272</b>	<b>1,467,699</b>	<b>1,402,143</b>	<b>1,202,626</b>	<b>1,131,030</b>	<b>1,084,314</b>
<b>Total District Program Revenues</b>	<b>\$ 12,786,428</b>	<b>\$ 16,440,897</b>	<b>\$ 6,940,247</b>	<b>\$ 6,981,778</b>	<b>\$ 5,782,480</b>	<b>\$ 5,345,781</b>	<b>\$ 5,083,119</b>	<b>\$ 4,476,362</b>	<b>\$ 5,203,119</b>	<b>\$ 4,495,166</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (47,491,733)	\$ (45,150,892)	\$ (51,739,545)	\$ (41,275,086)	\$ (40,578,866)	\$ (38,866,263)	\$ (39,082,946)	\$ (37,670,552)	\$ (36,222,611)	\$ (38,452,216)
Business-type Activities	57,107	102,840	127,203	36,088	17,063	19,572	38,246	46,137	60,497	(28,589)
<b>Total District-wide Net Expense</b>	<b>\$ (47,434,626)</b>	<b>\$ (45,048,052)</b>	<b>\$ (51,612,342)</b>	<b>\$ (41,238,998)</b>	<b>\$ (40,561,803)</b>	<b>\$ (38,846,691)</b>	<b>\$ (39,044,700)</b>	<b>\$ (37,624,415)</b>	<b>\$ (36,162,114)</b>	<b>\$ (38,480,805)</b>

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

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 13,312,379	\$ 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
Taxes Levied for Debt Service	808,340	836,318	843,788	963,260	1,049,162	1,053,069	1,076,444	1,087,673	1,085,298	961,536
Unrestricted Grants and Contributions	33,860,749	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
Restricted State Aid	619,491	643,506	648,975	632,611	595,838	4,689,478	722,141	689,518	1,410,480	866,829
Tuition Received	71,376	23,415	18,349	17,321	13,589	27,521	27,521	35,213	48,600	93,375
Miscellaneous Income	18,593	20,639	41,543	24,601	47,124	106,343	17,006	95,861	56,991	(1,461,542)
<b>Total Governmental Activities</b>	<b>48,690,928</b>	<b>46,154,680</b>	<b>51,905,418</b>	<b>42,286,611</b>	<b>41,008,375</b>	<b>44,302,703</b>	<b>39,770,550</b>	<b>39,111,098</b>	<b>38,096,313</b>	<b>37,011,117</b>
Business-type Activities:										
Investment Earnings	4,706	1,527	789	723	828	1,179	2,622	3,309	3,116	57
<b>Total Business-type Activities</b>	<b>4,706</b>	<b>1,527</b>	<b>789</b>	<b>723</b>	<b>828</b>	<b>1,179</b>	<b>2,622</b>	<b>3,309</b>	<b>3,116</b>	<b>57</b>
<b>Total District-wide</b>	<b>\$ 48,695,634</b>	<b>\$ 46,156,207</b>	<b>\$ 51,906,207</b>	<b>\$ 42,287,334</b>	<b>\$ 41,009,203</b>	<b>\$ 44,303,882</b>	<b>\$ 39,773,172</b>	<b>\$ 39,114,407</b>	<b>\$ 38,099,429</b>	<b>\$ 37,011,174</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,199,195	\$ 1,003,788	\$ 165,873	\$ 1,011,525	\$ 429,509	\$ 5,436,440	\$ 687,604	\$ 1,440,546	\$ 1,873,702	\$ (1,441,099)
Business-type Activities	61,813	104,367	127,992	36,811	17,891	20,751	40,868	49,446	63,613	(28,532)
<b>Total District</b>	<b>\$ 1,261,008</b>	<b>\$ 1,108,155</b>	<b>\$ 293,865</b>	<b>\$ 1,048,336</b>	<b>\$ 447,400</b>	<b>\$ 5,457,191</b>	<b>\$ 728,472</b>	<b>\$ 1,489,992</b>	<b>\$ 1,937,315</b>	<b>\$ (1,469,631)</b>

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>2019</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>
General Fund										
Restricted	\$ 4,960,319	\$ 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
Unassigned (Deficit)	(1,690,343)	(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)
<b>Total General Fund</b>	<b>\$ 3,269,976</b>	<b>\$ 3,384,589</b>	<b>\$ 3,020,137</b>	<b>\$ 2,801,893</b>	<b>\$ 1,934,403</b>	<b>\$ 2,708,715</b>	<b>\$ 3,242,534</b>	<b>\$ 2,832,217</b>	<b>\$ 2,017,581</b>	<b>\$ 1,051,684</b>
All Other Governmental Funds										
Restricted					\$ 4,132,960	\$ 5,314,829		\$ 21,396	\$ 887,900	\$ 9,196
Capital Projects Fund				\$ 192,014						
Debt Service Fund	\$ 1	\$ 1	\$ 3,821	3,821						
Unassigned (Deficit), Reported in:										
Special Revenue Fund	(142,540)	(118,342)	(118,342)	(118,342)	(99,540)	(87,374)	(73,284)	(68,750)	(64,520)	(30,706)
<b>Total All Other Governmental Funds</b>	<b>\$ (142,539)</b>	<b>\$ (118,341)</b>	<b>\$ (114,521)</b>	<b>\$ 77,493</b>	<b>\$ 4,033,420</b>	<b>\$ 5,227,455</b>	<b>\$ (73,284)</b>	<b>\$ (47,354)</b>	<b>\$ 823,380</b>	<b>\$ (21,510)</b>

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>2019</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>
<b>Revenues</b>										
Tax Levy	\$ 14,120,719	\$ 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
Tuition Charges	71,376	23,415	18,349	17,321	13,589	17,445	27,521	35,213	48,600	2,637
Interest Earnings	654,321	702,160	985,391	942,735	829,453	714,384	445,471	248,950	245,963	93,375
Miscellaneous	18,745	27,184	41,543	24,601	47,124	106,343	17,006	95,861	56,991	52,264
Local Sources		7,695	4,305							
State Sources	35,510,614	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
Federal Sources	4,001,680	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
<b>Total Revenue</b>	<b>54,377,455</b>	<b>51,199,458</b>	<b>49,404,573</b>	<b>47,585,320</b>	<b>45,251,583</b>	<b>48,180,785</b>	<b>43,451,526</b>	<b>42,384,834</b>	<b>42,414,365</b>	<b>41,935,775</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	11,527,598	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
Special Education Instruction	3,722,607	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
Other Special Instruction	3,905,730	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
Support Services:										
Tuition	2,879,858	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
Student & Instruction Related Services	5,917,699	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
General Administrative Services	605,457	540,423	566,997	598,458	581,890	524,271	559,029	452,341	585,307	685,171
School Administrative Services	1,694,084	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
Central Services	460,273	431,976	482,886	490,595	609,176	735,148	728,578	734,106	653,911	750,673
Administrative Information Technology	255,562	209,198	295,743	425,337	317,079	404,536	421,325	494,266	540,352	573,481
Plant Operations and Maintenance	3,425,833	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
Pupil Transportation	2,238,661	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
Unallocated Employee Benefits	14,500,645	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
Special Schools	539,086	490,541	475,397	330,703	305,972	252,410	163,701	14,023	39,213	99,156
Capital Outlay	1,396,092	1,344,495	821,083	4,309,536	2,712,019	730,560	546,018	1,329,668	626,165	1,711,394
Debt Service:										
Principal	1,120,000	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
Interest and Other Charges	327,081	372,894	407,013	424,419	527,445	600,023	652,743	705,673	759,504	798,573
<b>Total Expenditures</b>	<b>54,516,266</b>	<b>51,118,403</b>	<b>49,110,258</b>	<b>50,662,265</b>	<b>47,419,078</b>	<b>43,364,707</b>	<b>43,066,297</b>	<b>42,440,932</b>	<b>40,603,578</b>	<b>43,329,789</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,811)	81,055	294,315	(3,076,945)	(2,167,495)	4,816,078	385,229	(56,098)	1,810,787	(1,394,014)
<b>Other Financing Sources (Uses)</b>										
Proceeds of Refunding Debt					10,910,000					
Payment to Refunded Debt Escrow Agent					(11,555,000)					
Original Issue Premium					1,032,746					
Loss from Issuance					(238,598)					
Transfers In	736,777	623,143	811,288	589,358	1,197,074	1,942,606	349,237			
Transfers Out	(736,777)	(623,143)	(811,288)	(589,358)	(1,197,074)	(1,942,606)	(349,237)			
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (138,811)</b>	<b>\$ 81,055</b>	<b>\$ 294,315</b>	<b>\$ (3,076,945)</b>	<b>\$ (2,018,347)</b>	<b>\$ 4,816,078</b>	<b>\$ 385,229</b>	<b>\$ (56,098)</b>	<b>\$ 1,810,787</b>	<b>\$ (1,394,014)</b>
Debt Service as a Percentage of Noncapital Expenditures	2.7%	3.0%	3.1%	3.5%	4.2%	4.1%	4.2%	4.4%	4.5%	4.4%

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

	<u>2019</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>
Interest on Investments	\$ 71,376	\$ 23,415	\$ 18,349	\$ 17,321	\$ 13,589	\$ 17,445	\$ 27,521	\$ 35,213	\$ 48,600	\$ 2,637
Tuition	654,321	702,160	985,391	942,735	829,453	714,384	445,471	248,950	245,963	93,375
Miscellaneous	18,745	27,184	32,676	24,601	43,304	106,343	17,006	95,861	56,991	52,264
	<u>\$ 744,442</u>	<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>

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)
2018	\$ 6,878,700	\$ 393,079,500	-	-	\$ 54,877,300	\$ 2,179,600	\$ 134,957,200	\$ 591,972,300	\$ 200	\$ 591,972,500	\$ 131,300	\$ 593,575,153	\$ 2.371
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

(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	
2018	\$ 2.232	\$ 0.139	\$ 2.371	\$ -	\$ 1.643	\$ 0.896	4.910
2017	2.185	0.014	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

(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	2018			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Pine Lake Landings LLC	\$ 23,600,000	1	3.99%	\$ 12,366,900	1	2.91%
Coolidge Stonington Court Associates	15,000,000	2	2.53%	10,000,000	2	2.35%
Coachman Manor, LLC	13,725,000	3	2.32%	8,200,000	4	1.93%
Trent Court	11,350,000	4	1.92%	7,150,000	5	1.68%
Timber Ridge, LLC	11,100,000	5	1.88%	6,100,000	6	1.44%
550 Bilper, LLC	10,528,000	6	1.78%	9,436,900	3	2.22%
AP Kingsrow	8,500,000	7	1.44%	4,771,700	8	1.12%
Heathers Realty, LLC	7,070,200	8	1.19%	5,315,800	7	1.25%
Birchwood Quail	6,695,000	9	1.13%			
Lindenwold PH, LP	5,000,000	10	0.84%	4,200,000	9	0.99%
Scandia Realty, LLC				2,975,000	10	0.70%
<b>Total</b>	<b>\$ 112,568,200</b>		<b>19.02%</b>	<b>\$ 70,516,300</b>		<b>16.60%</b>

Source: Municipal Tax Assessor

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

---

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes</u> <u>Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2019	\$ 13,312,379	\$ 13,312,379	100.00%	-
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%	-

(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 <u>June 30,</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>				
2019	\$ 6,555,000	-	-	-	-	\$ 6,555,000	1.65%	\$ 375	
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	3.27%	750	
2013	14,255,000	-	-	-	-	14,255,000	3.56%	812	
2012	15,400,000	-	-	-	-	15,400,000	3.84%	576	
2011	16,515,000	-	-	-	-	16,515,000	5.02%	938	
2010	17,570,000	-	-	-	-	17,570,000	5.35%	997	

**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			
2019	\$ 6,555,000	-	\$ 6,555,000	1.11%	NA
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

**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, 2018  
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	\$ 7,640,000	\$ 7,640,000			
Borough of Lindenwold	9,432,744	3,362,746	\$ 6,069,998	\$ 6,069,998	
	<u>17,072,744</u>	<u>11,002,746</u>	<u>6,069,998</u>	<u>6,069,998</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	36,870,000	4,597,984 (3)	32,272,016	503,443 (5)	\$ 28,877,825
	35,461,125		35,461,125	553,194	
Loan Agreement	308,746,532		308,746,532	4,816,446 (5)	
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>265,004,205</u>	<u>265,004,205 (4)</u>			
	<u>646,081,862</u>	<u>269,602,189</u>	<u>376,479,673</u>	<u>5,873,083</u>	<u>28,877,825</u>
	<u>\$ 663,154,606</u>	<u>\$ 280,604,935</u>	<u>\$ 382,549,671</u>	<u>\$ 11,943,081</u>	<u>\$ 28,877,825</u>

## Sources:

- (1) 2018 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 2018 Equalized Value, which is 1.56%.
- The source for this computation was the 2018 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 2019**

Equalized valuation basis	
	2018 \$ 593,575,153
	2017 582,486,001
	2016 <u>607,924,716</u>
	<b>[A]</b> <u>\$ 1,783,985,870</u>
Average equalized valuation of taxable property	<b>[A/3]</b> <u>594,661,957</u>
Debt limit (4% of average equalization value) (1)	<b>[B]</b> 23,786,478
Total Net Debt Applicable to Limit	<b>[C]</b> <u>6,555,000</u>
Legal Debt Margin	<b>[B-C]</b> <u>\$ 17,231,478</u>

	Fiscal Year									
	<u>2019</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>
Debt limit	\$ 23,786,478	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
Total net debt applicable to limit	<u>6,555,000</u>	<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>
Legal debt margin	<u>\$ 17,231,478</u>	<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>
Total net debt as a percentage of debt limit	27.56%	31.57%	53.24%	40.06%	43.97%	49.58%	45.72%	49.16%	51.69%	53.41%

(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>
2018	17,314	\$ 375,142,438	\$ 21,667	4.6%
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%

**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>2019</u>			<u>2010</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%	58	3	8.25%
Advanced Scal Co.	35	5	6.12%	34	6	4.84%
Wawa	80	2	13.99%	58	4	8.25%
Deterdings Market	38	4	6.64%	48	5	6.83%
William Hall	19	8	3.32%	25	9	3.56%
Walgreens	20	6	3.50%	30	7	4.27%
Vacuum Sales	17	9	2.97%	21	10	2.99%
Pufferbelly				29	8	4.13%
PATCO Lindenwold Station	266	1	46.50%	300	1	42.67%
Camden County Dept. of Public Works				100	2	14.22%
Forever Young Learning Center	20	7	3.50%			
La Esperanza	17	10	2.97%			
	<u>572</u>		<u>100.00%</u>	<u>703</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

	Fiscal Year Ended June 30,									
<u>Function/Program</u>	<u>2019</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>
Instruction										
Regular	191.4	197.6	177.6	168.7	164.1	183.0	205.0	168.5	202.0	202.0
Special education	118.8	94.7	103.3	108.9	100.5	72.5	55.0	85.0	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	1.0	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	61.8	60.0	54.5	43.6	40.3	48.7	44.0	44.5	51.0	51.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	22.8	21.8	20.1	22.0	21.0	18.0	19.0	19.0	18.0	18.0
Business administrative services	6.0	6.0	7.0	9.0	10.0	5.0	5.0	5.0	5.0	5.0
Plant operations and maintenance	37.9	37.5	37.1	35.8	36.8	29.5	26.0	26.5	26.0	26.0
Pupil transportation	2.5	2.5	2.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	12.0	12.0	15.0	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	5.0	4.8	4.8	4.0	0.0	0.0	0.0
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>450.2</b>	<b>429.1</b>	<b>410.6</b>	<b>398.0</b>	<b>382.5</b>	<b>377.5</b>	<b>374.0</b>	<b>367.5</b>	<b>376.5</b>	<b>376.5</b>

**Source:** District Personnel Records

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

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Pupil/Teacher Ratio</u>			<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle School</u>	<u>High School</u>				
2019	2,737	\$ 51,673,093	\$ 18,879.46	8.61%	N/A	N/A	N/A	N/A	2,779	2,610	0.33%	93.94%
2018	2,777	48,271,014	17,382.43	1.22%	N/A	N/A	N/A	N/A	2,770	2,603	1.34%	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	-1.05%	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	4.66%	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	7.45%	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	1.53%	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	5.13%	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	2.68%	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	1.59%	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	-0.63%	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

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
School 4 (1956)										
Square Feet	56,501	56,501	56,501	56,501	56,501	56,501	56,501	56,501	56,501	56,501
Capacity (students)	520	520	520	520	520	520	520	520	520	520
Enrollment	621	700	667	629	629	576	584	530	463	457
School 5 (1965)										
Square Feet	52,691	52,691	52,691	52,691	52,691	52,691	52,691	52,691	52,691	52,691
Capacity (students)	538	538	538	538	538	538	538	538	538	538
Enrollment	593	522	527	576	576	609	615	589	615	583
Preschool (1923)										
Square Feet (approx.)	30,000	30,000	30,000	30,000	30,000	N/A	N/A	N/A	N/A	N/A
Capacity (students)	180	180	180	180	180	N/A	N/A	N/A	N/A	N/A
Enrollment	159	166	164	139	139	N/A	N/A	N/A	N/A	N/A
<b><u>Middle School</u></b>										
Lindenwold Middle School (1957)										
Square Feet	96,947	96,947	96,947	96,947	96,947	96,947	96,947	96,947	96,947	96,947
Capacity (students)	641	641	641	641	641	641	641	641	641	641
Enrollment	831	775	758	705	705	653	667	668	666	642
<b><u>High School</u></b>										
Lindenwold High School (2001)										
Square Feet	158,575	158,575	158,575	158,575	158,575	158,575	158,575	158,575	158,575	158,575
Capacity (students)	751	751	751	751	751	751	751	751	751	751
Enrollment	533	576	561	532	532	580	601	503	540	556
<b><u>Other</u></b>										
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, 2019										
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)	Fiscal Year Ended June 30,									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
School #4	N/A	\$ 76,435	\$ 46,778	\$ 45,410	\$ 32,893	\$ 60,702	\$ 21,233	\$ 58,669	\$ 74,407	\$ 46,934	\$ 111,617
School #5	N/A	51,045	23,852	25,211	34,092	56,404	25,314	20,957	93,619	46,617	107,825
Middle School	N/A	138,336	111,150	128,199	66,604	100,959	97,920	66,497	78,645	86,846	153,170
High School	N/A	99,235	87,351	92,065	79,518	97,377	74,698	116,171	207,943	198,381	157,241
Other Facilities	N/A	3,933	3,930	2,723	1,923	3,302	2,908	2,735	4,019	4,878	15,420
Total School Facilities		368,984	273,061	293,608	215,030	318,744	222,073	265,029	458,633	383,656	545,273
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 368,984</u>	<u>\$ 273,061</u>	<u>\$ 293,608</u>	<u>\$ 215,030</u>	<u>\$ 318,744</u>	<u>\$ 222,073</u>	<u>\$ 265,029</u>	<u>\$ 458,633</u>	<u>\$ 383,656</u>	<u>\$ 545,273</u>

\* 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, 2019

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 - Starr Surplus Lines Ins. Co.	\$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, 2019. 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 Office of School 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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Lindenwold School District's, in the County of Camden, State of New Jersey, 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, 2019.

**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 Borough of Lindenwold 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*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Glen J. Walton*

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

Voorhees, New Jersey  
December 12, 2019

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2019

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, 2018	Carryover / (Walkover) Amount
					From	To		
<b>General Fund:</b>								
U.S. Department of Education								
Passed-through State Department of Education:								
Medical Assistance Program (Medicaid)	93.778	1905NJ5MAP	100-054-7540-211	\$ 181,171	7-1-2018	6-30-2019		
Total Medical Assistance Program (Medicaid)							-	-
Total General Fund							-	-
<b>Special Revenue Fund:</b>								
U.S. Department of Education								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I Grants to Local Education Agencies, Carryover	84.010	S010A170030	ESSA267018	1,811,818	7-1-2017	6-30-2018	\$ (289,070)	
Title I Grants to Local Education Agencies, SIA	84.010	S010A170030	ESSA267018	263,581	7-1-2017	6-30-2018	(102,766)	
Title I Grants to Local Education Agencies	84.010	S010A180030	ESSA267019	1,530,750	7-1-2018	6-30-2019		
Title I Grants to Local Education Agencies, SIA	84.010	S010A180030	ESSA267019	796,724	7-1-2018	6-30-2019		
Title I, Reallocated	84.010	S010A180030	ESSA267019	82,752	2-1-2019	9-30-2019		
Total Title I Grants to Local Education Agencies							(391,836)	-
Supporting Effective Instruction State Grant (Title II)	84.367	S367A170029	ESSA267018	119,969	7-1-2017	6-30-2018	(8,474)	
Supporting Effective Instruction State Grant (Title II)	84.367	S367A180029	ESSA267019	117,783	7-1-2018	6-30-2019		
Total Supporting Effective Instruction State Grant							(8,474)	-
English Language Acquisition Grants, Carryover (Title III)	84.365	S365A170030	ESSA267018	189,078	7-1-2017	6-30-2018	(65,636)	
English Language Acquisition Grants (Title III)	84.365	S365A180030	ESSA267019	227,241	7-1-2018	6-30-2019		
Total English Language Acquisition Grants (Title III)							(65,636)	-
English Language Acquisition Grants, Carryover (Title III Immigrant)	84.365	S011A170030	ESSA267018	13,444	7-1-2017	6-30-2018	(2,274)	
English Language Acquisition Grants (Title III Immigrant)	84.365	S011A180030	ESSA267019	13,968	7-1-2018	6-30-2019		
Total English Language Acquisition Grants, (Title III Immigrant)							(2,274)	-
Student Support and Academic Enrichment Grants (Title IV)	84.424	S424A170031	ESSA267018	19,175	7-1-2017	6-30-2018	(207)	
Student Support and Academic Enrichment Grants (Title IV)	84.424	S424A180031	ESSA267019	97,479	7-1-2018	6-30-2019		
Total Student Support and Academic Enrichment Grants							(207)	-
<b>Special Education Cluster (IDEA):</b>								
Special Education - Grants to States (IDEA Basic)	84.027	H027A150100	IDEA267018	698,395	7-1-2017	6-30-2018	(13,417)	
Special Education - Grants to States (IDEA Basic)	84.027	H027A150100	IDEA267019	688,369	7-1-2018	6-30-2019		
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A150114	IDEA267018	31,868	7-1-2017	6-30-2018	(9,186)	
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A150114	IDEA267019	25,663	7-1-2018	6-30-2019		
Total Special Education Cluster (IDEA)							(22,603)	-
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	(73,691)	
ARRA - Race to the Top - Preschool Development Expansion Grant	84.419	S419B150020	15-100-034-5069-031-H350-D005	812,869	1-1-2018	12-31-2018		
Total ARRA - Race to the Top - Preschool Development Expansion Grant							(73,691)	-
Temporary Emergency Impact Aid for Displaced Students	84.938	S938C18005	100-091-6160	12,750	1-1-2016	12-31-2017	(12,750)	
Total Special Revenue Fund							(577,471)	-
<b>Enterprise Fund:</b>								
U.S. Department of Agriculture								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
National School Lunch Program	10.555	181NJ304N1099	N/A	1,018,363	7-1-2017	6-30-2018	(79,920)	
National School Lunch Program	10.555	191NJ304N1099	N/A	1,048,937	7-1-2018	6-30-2019		
Healthy Hunger Free Kids Act	10.555	181NJ304N1099	N/A	21,999	7-1-2017	6-30-2018	(1,707)	
Healthy Hunger Free Kids Act	10.555	191NJ304N1099	N/A	21,742	7-1-2018	6-30-2019		
School Breakfast Program	10.553	181NJ304N1099	N/A	446,474	7-1-2017	6-30-2018	(37,396)	
School Breakfast Program	10.553	191NJ304N1099	N/A	485,309	7-1-2018	6-30-2019		
Summer Food Service Program for Children	10.559	191NJ304N1099	N/A	8,174	7-1-2018	6-30-2019		
After School Snack	10.555	191NJ304N1099	N/A	13,217	7-1-2018	6-30-2019		
National School Lunch Program - Commodities (Noncash)	10.555	181NJ304N1603	N/A	138,612	7-1-2018	6-30-2019		
Total Child Nutrition Cluster							(119,023)	-
Fresh Fruits and Vegetable Program	10.582	181NJ304N1603	N/A	42,693	7-1-2017	6-30-2018	(1,360)	
Fresh Fruits and Vegetable Program	10.582	191NJ304N1603	N/A	35,849	7-1-2018	6-30-2019		
Total Enterprise Fund							(120,383)	-
Total Federal Financial Assistance							\$ (697,854)	\$ -

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, 2019		
	Pass-through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor at
\$ 181,171	\$ 181,171		\$ 181,171						
181,171	181,171	-	181,171	-	-	-	-	-	-
181,171	181,171	-	181,171	-	-	-	-	-	-
289,070									
102,766									
1,062,113	1,493,352		1,493,352				\$ (431,239)		
153,870	264,442		264,442				(110,572)		
	22,870		22,870				(22,870)		
1,607,819	1,780,664	-	1,780,664	-	-	-	(564,681)	-	-
8,474									
72,293	106,541		106,541				(34,248)		
80,767	106,541	-	106,541	-	-	-	(34,248)	-	-
65,636									
116,106	164,629		164,629				(48,523)		
181,742	164,629	-	164,629	-	-	-	(48,523)	-	-
2,274									
8,443	13,968		13,968				(5,525)		
10,717	13,968	-	13,968	-	-	-	(5,525)	-	-
207									
6,577	26,995		26,995				(20,418)		
6,784	26,995	-	26,995	-	-	-	(20,418)	-	-
13,417									
494,795	670,051		670,051				(175,256)		
9,186									
25,663	25,663		25,663						
543,061	695,714	-	695,714	-	-	-	(175,256)	-	-
232,785	159,094		159,094						
506,980	812,869		812,869				(305,889)		
739,765	971,963	-	971,963	-	-	-	(305,889)	-	-
12,750									
3,183,405	3,760,474	-	3,760,474	-	-	-	(1,154,540)	-	-
79,920									
998,184	1,048,937		1,048,937				(50,753)		
1,707									
20,705	21,742		21,742				(1,037)		
37,396									
460,251	485,309		485,309				(25,058)		
8,174	8,174		8,174						
12,478	13,217		13,217				(739)		
138,612	138,612		138,612						
1,757,427	1,715,991	-	1,715,991	-	-	-	(77,587)	-	-
1,360									
33,831	35,849		35,849				(2,018)		
1,792,618	1,751,840	-	1,751,840	-	-	-	(79,605)	-	-
\$ 5,157,194	\$ 5,693,485	\$ -	\$ 5,693,485	\$ -	\$ -	\$ -	\$ (1,234,145)	\$ -	\$ -

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
 Schedule of Expenditures of State Awards, Schedule B  
 For the Fiscal Year Ended June 30, 2019

State Grant/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2018	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
<b>General Fund:</b>							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	18-495-034-5120-078	\$ 23,200,961		7-1-2017	6-30-2018	\$ (2,292,731)	
Equalization Aid	19-495-034-5120-078	23,200,961		7-1-2018	6-30-2019		
School Choice	18-495-034-5120-068	293,755		7-1-2017	6-30-2018	(29,376)	
School Choice	19-495-034-5120-068	297,472		7-1-2018	6-30-2019		
Security Aid	18-495-034-5120-084	430,638		7-1-2017	6-30-2018	(43,064)	
Security Aid	19-495-034-5120-084	1,217,920		7-1-2018	6-30-2019		
Special Education Aid	18-495-034-5120-089	1,304,369		7-1-2017	6-30-2018	(130,437)	
Special Education Aid	19-495-034-5120-089	1,431,101		7-1-2018	6-30-2019		
Under Adequacy Aid	18-495-034-5120-096	179,546		7-1-2017	6-30-2018	(17,955)	
Additional Adjustment Aid	18-495-034-5120-085	29,975		7-1-2017	6-30-2018	(2,997)	
PARCC Readiness Aid	18-495-034-5120-098	24,300		7-1-2017	6-30-2018	(2,430)	
Per Pupil Growth Aid	18-495-034-5120-097	24,300		7-1-2017	6-30-2018	(2,430)	
Professional Learning Community Aid	18-495-034-5120-101	27,020		7-1-2017	6-30-2018	(2,702)	
Host District Support Aid	18-495-034-5120-102	24,942		7-1-2017	6-30-2018	(2,494)	
Total State Aid - Public Cluster						(2,526,616)	-
State Aid - Transportation:							
Transportation Aid	18-495-034-5120-014	167,623		7-1-2017	6-30-2018	(16,762)	
Transportation Aid	19-495-034-5120-014	834,376		7-1-2018	6-30-2019		
Nonpublic Transportation Aid	18-495-034-5120-014	26,318		7-1-2017	6-30-2018	(26,318)	
Nonpublic Transportation Aid	19-495-034-5120-014	27,336		7-1-2018	6-30-2019		
Total State Aid - Transportation						(43,080)	-
Extraordinary Special Education Aid Costs							
Extraordinary Special Education Aid Costs	18-495-034-5120-044	162,055		7-1-2017	6-30-2018	(162,055)	
Extraordinary Special Education Aid Costs	19-495-034-5120-044	260,400		7-1-2018	6-30-2019		
Total Extraordinary Aid						(162,055)	-
Reimbursed T.P.A.F. Social Security							
Reimbursed T.P.A.F. Social Security	18-495-034-5094-003	1,325,468		7-1-2017	6-30-2018	(67,023)	
Reimbursed T.P.A.F. Social Security	19-495-034-5094-003	1,403,423		7-1-2018	6-30-2019		
Total Reimbursed T.P.A.F. Social Security						(67,023)	-
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement							
Medical (non-budgeted)	19-495-034-5094-001	1,574,377		7-1-2018	6-30-2019		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	19-495-034-5094-002	3,470,860		7-1-2018	6-30-2019		
On-Behalf T.P.A.F. Non-contributory Insurance	19-495-034-5094-004	71,165		7-1-2018	6-30-2019		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	19-495-034-5094-004	5,034		7-1-2018	6-30-2019		
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-
Total General Fund						(2,798,774)	-
<b>Special Revenue Fund:</b>							
New Jersey Department of Education							
Preschool Education Aid	18-495-034-5120-086	1,183,420	\$ 623,143	7-1-2017	6-30-2018	87,172	
Preschool Education Aid	19-495-034-5120-086	1,223,743	736,777	7-1-2018	6-30-2019		
Preschool Education Expansion Aid	19-495-034-5120-086	201,657		7-1-2018	6-30-2019		
Total Preschool Education Aid						87,172	-
Total Special Revenue Fund						87,172	-
<b>Debt Service Fund:</b>							
New Jersey Department of Education							
Debt Service Aid Type II	19-495-034-5120-075	619,491		7-1-2018	6-30-2019		
<b>Enterprise Fund:</b>							
New Jersey Department of Agriculture							
Child Nutrition Cluster							
National School Lunch Program (State Share)	18-100-010-3350-023	19,884		7-1-2017	6-30-2018	(1,544)	
National School Lunch Program (State Share)	19-100-010-3350-023	19,682		7-1-2018	6-30-2019		
Total Enterprise Fund						(1,544)	-
Total State Financial Assistance						\$ (2,713,146)	\$ -

Less State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:

General Fund (Non-Cash Assistance):

New Jersey Department of Education:

On-behalf T.P.A.F. Pension Contributions - Post Retirement							
Medical (non-budgeted)	19-495-034-5094-001	1,574,377		7-1-2018	6-30-2019		
On-behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	19-495-034-5094-002	3,470,860		7-1-2018	6-30-2019		
On-behalf T.P.A.F. Non-contributory Insurance	19-495-034-5094-004	71,165		7-1-2018	6-30-2019		
On-behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	19-495-034-5094-004	5,034		7-1-2018	6-30-2019		

Total General Fund (Non-Cash Assistance)

Total State Financial Assistance subject to Major Program Determination for State Single Audit

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, 2019			Memo	
						Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable 6/30/2019	Cumulative Total Expenditures
	\$ 2,292,731									
	20,920,823	\$ 23,200,961				\$ (2,280,138)			\$ (2,280,138)	\$ 23,200,961
	29,376									
	267,725	297,472				(29,747)			(29,747)	297,472
	43,064									
	1,096,128	1,217,920				(121,792)			(121,792)	1,217,920
	130,437									
	1,287,991	1,431,101				(143,110)			(143,110)	1,431,101
	17,955									
	2,997									
	2,430									
	2,430									
	2,702									
	2,494									
-	26,099,283	26,147,454	-	-	-	(2,574,787)	-	-	(2,574,787)	26,147,454
	16,762									
	750,938	834,376				(83,438)			(83,438)	834,376
	26,318									
		27,336				(27,336)				27,336
-	794,018	861,712	-	-	-	(110,774)	-	-	(83,438)	861,712
	162,055									
		260,400				(260,400)				260,400
-	162,055	260,400	-	-	-	(260,400)	-	-	-	260,400
	67,023									
	1,292,878	1,403,423				(110,545)				1,403,423
-	1,359,901	1,403,423	-	-	-	(110,545)	-	-	-	1,403,423
	1,574,377	1,574,377								1,574,377
	3,470,860	3,470,860								3,470,860
	71,165	71,165								71,165
	5,034	5,034								5,034
-	5,121,436	5,121,436	-	-	-	-	-	-	-	5,121,436
-	33,536,693	33,794,425	-	-	-	(3,056,506)	-	-	(2,658,225)	33,794,425
	118,342	205,514								205,514
	1,838,146	1,568,795				(122,374)	\$ 391,725		(122,374)	1,568,795
	181,491	201,657				(20,166)			(20,166)	201,657
-	2,137,979	1,975,966	-	-	-	(142,540)	391,725	-	(142,540)	1,975,966
-	2,137,979	1,975,966	-	-	-	(142,540)	391,725	-	(142,540)	1,975,966
	619,491	619,491								619,491
	1,544									
	18,742	19,682				(940)				19,682
-	20,286	19,682	-	-	-	(940)	-	-	-	19,682
\$ -	\$ 36,314,449	\$ 36,409,564	\$ -	\$ -	\$ -	\$ (3,199,986)	\$ 391,725	\$ -	\$ (2,800,765)	\$ 36,409,564

(1,574,377)  
(3,470,860)  
(71,165)  
(5,034)  
(5,121,436)  
\$ 31,288,128

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2019

---

**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) 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. 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 exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following 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, special revenue fund, and proprietary funds (enterprise funds) 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.

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

The proprietary fund (enterprise fund - food service) is presented in the accompanying schedules on the GAAP basis and expenditures are adjusted for the value of the national school lunch program commodities inventory on hand at the end of the fiscal year end.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$32,391 for the general fund and \$(114,847) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 181,171	\$ 33,679,578	\$ 33,860,749
Special Revenue	3,820,509	1,211,545	5,032,054
Debt Service		619,491	619,491
Food Service	1,751,840	19,682	1,771,522
GAAP Basis Revenues	<u>5,753,520</u>	<u>35,530,296</u>	<u>41,283,816</u>
GAAP Adjustments:			
State Aid Payments		139,045	139,045
Encumbrances	<u>(60,035)</u>	<u>3,446</u>	<u>(56,589)</u>
	<u>(60,035)</u>	<u>142,491</u>	<u>82,456</u>
Total Awards and Financial Assistance Expended	<u>\$ 5,693,485</u>	<u>\$ 35,672,787</u>	<u>\$ 41,366,272</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, 2019, 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, 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, 2019

**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>
		<b><u>Child Nutrition Cluster:</u></b>
<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>10.559</u>	<u>181NJ304N1099</u>	<u>Summer Feeding Program</u>
		<b><u>Special Education Cluster:</u></b>
<u>84.027</u>	<u>H027A150100</u>	<u>Special Education - Grants to States (IDEA Basic Regular)</u>
<u>84.173</u>	<u>H173A150114</u>	<u>Special Education - Preschool Grants (IDEA Preschool)</u>
<u>10.582</u>	<u>181NJ304N1603</u>	<u>Fresh Fruits and Vegetable Program</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, 2019

---

***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 Office of School 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, 2019

---

***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, 2019

---

***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.

