

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**

Lumberton, New Jersey  
County of Burlington

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

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**

**LUMBERTON, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Prepared by**

**Lumberton Township School District  
Finance Department**

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**INTRODUCTORY SECTION**

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

**Joseph Langowski**  
**Superintendent**

**Mark Leung**  
**Business Administrator**

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December 10, 2019

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Lumberton Township School 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 Lumberton Township School District. 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, 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 district as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors’ Report and includes the Management’s Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

The Lumberton Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment, as of October 15<sup>th</sup>, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-2019	1,239	-1.67%
2017-2018	1,260	-7.01%
2016-2017	1,355	-1.38%
2015-2016	1,374	-8.46%
2014-2015	1,501	0.54%
2013-2014	1,493	-2.42%
2012-2013	1,530	-6.76%
2011-2012	1,641	-1.50%
2010-2011	1,666	-1.24%
2009-2010	1,687	-1.17%

## **ECONOMIC CONDITION AND OUTLOOK**

Lumberton Township has experienced an end to the development and expansion of the township. There are, however, a few developments that may result in some additional housing. These parcels of undeveloped land have been approved for development by the Township. Lumberton Township is continuing to attempt to attract additional businesses to its previously rural and residential town. To attract the businesses in the town, the officials have agreed to abate taxes for a period. Several businesses have begun to pay their full amount of taxes to the town. The Township Officials are still working to attract businesses to move/develop within Lumberton Township.

## **MAJOR INITIATIVES**

From an instructional perspective, Lumberton Township School District continues to be leaders in many curricular areas. The district had one to one Chromebook initiative in place in grades four through eight, with a robust network in place. The district is piloting social studies materials with a goal of adopting a new program in the 2020-21 school year. In addition, the Open Resource mathematics program is now in place in the middle school grade span, complimenting the Eureka Math.

The district is also proud of its partnership with Rowan University's Center for Access, Success and Equity. The district has established administrative and staff equity councils, with goals to expand student voice in the future. The district looks forward to collaborating with partner districts after obtaining a \$2.4 million federal grant for climate and culture improvements using the Positive Behavior Intervention and Supports model.

One of the primary foci of the Lumberton Township School District has been on modernizing facilities. A nearly \$5 million bond referendum, approved by voters of March 12, 2019, will allow improvements to be completed in the summers of 2019 and 2020. The major initiatives include replacing worn flooring, repairing rooves, installing security vestibules and improved camera systems.

The district also continues to contend with declining enrollment. As a result of a decline of nearly 600 students over a decade, the Lumberton Township School District has redistricted to three buildings in the 2019-20 school year. Ashbrook Elementary School, the newest facility in the district, will be closed for renovations during the time span. Afterwards, Florence Walther School will be shuttered permanently, with Ashbrook School reopening for preschool through second grade students.

## **INTERNAL ACCOUNTING CONTROLS**

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general 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 delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

### **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

### **ACCOUNTING SYSTEM AND REPORTS**

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

### **FINANCIAL POLICIES**

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide 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 the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

### **OTHER INFORMATION**

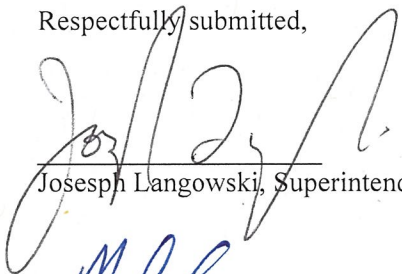
#### *INDEPENDENT AUDIT*

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet 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*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

**ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the 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. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



Joseph Langowski, Superintendent



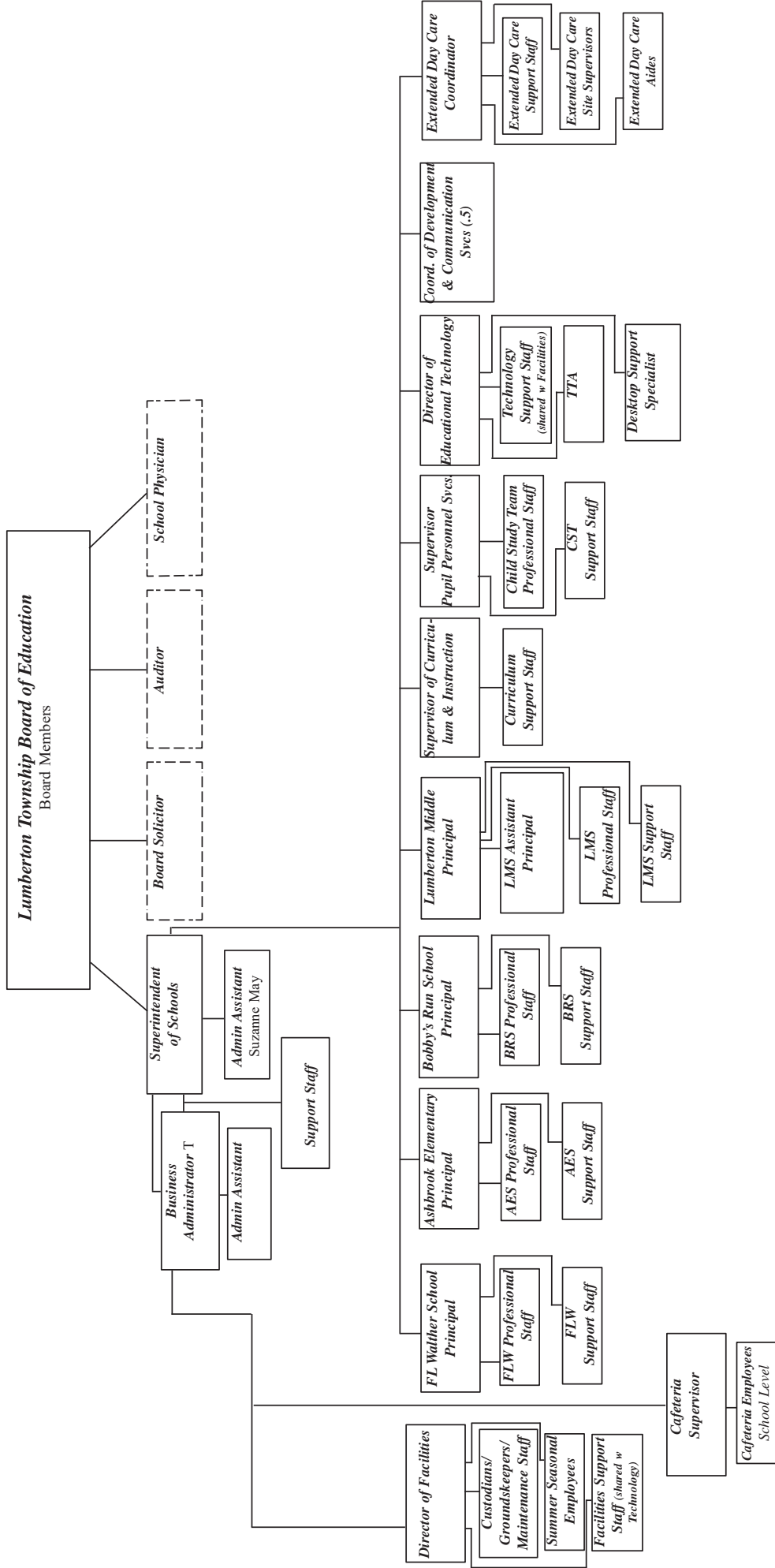
Mark Leung, School Business Administrator/Board Secretary

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# Lumberton Township Board of Education

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



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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Lumberton, New Jersey**

**ROSTER OF OFFICIALS**

**JUNE 30, 2019**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Thomas Colling, III, President	2021
Melissa Cirii, Vice President	2020
Margaret Bupp	2019
Bruce Ciallella	2019
Jill Clevenger	2020
Kevin Leahan	2019
Frank Pallante	2021
Rachel Paulin	2020
Nate Wood	2019

**OTHER OFFICIALS**

Joseph Langowski, Superintendent

Mark S. Leung, Business Administrator/Board Secretary

Frank P. Cavallo, Solicitor

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
Lumberton, New Jersey

**CONSULTANTS AND ADVISORS**

**INSURANCE AGENT**

Burlington County Insurance Pool  
Marlton, New Jersey

**AUDIT FIRM**

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

**ATTORNEY**

Frank P. Cavallo, Jr.  
Parker McCay P.A.  
Mount Laurel, New Jersey

**OFFICIAL DEPOSITORY**

TD Bank  
Cherry Hill, New Jersey

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township School District, County of Burlington, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the, Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township School District, County of Burlington, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### ***Correction of an Error***

As discussed in Note 22 to the financial statements, during the fiscal year ended June 30, 2019 the District determined that the capital asset balance recorded in the prior period was not accurate. The District has corrected these with a prior period adjustment to the financial statements. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lumberton Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's

Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
December 10, 2019

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited)**

As management of the Lumberton Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund and Extended Day Care Fund.

**Fund Financial Statements**

*Fund financial statements* are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

*Governmental funds* account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

**Overview of the Basic Financial Statements (continued)**

**Fund Financial Statements (continued)**

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

*Proprietary funds* are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's enterprise funds (Food Service Fund and Extended Day Care Fund) are listed individually and is considered to be a major fund

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.



**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

**Financial Analysis of the School District as a Whole**

Table 1 provides a summary of the School Districts net position for the fiscal years 2019 compared to fiscal year 2018.

**Table 1**  
**Summary of Net Position**

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 6,185,036	\$ 5,804,353	\$ 380,683	6.6%
Capital Assets, Net	<u>19,604,787</u>	<u>19,197,130</u>	<u>407,657</u>	2.1%
Total Assets	<u>25,789,823</u>	<u>25,001,483</u>	<u>788,340</u>	3.2%
Deferred Outflow of Resources	<u>1,527,804</u>	<u>2,284,622</u>	<u>(756,818)</u>	-33.1%
Current and other Liabilities	463,293	466,216	(2,923)	-0.6%
Noncurrent Liabilities	<u>11,149,480</u>	<u>14,110,373</u>	<u>(2,960,893)</u>	-21.0%
Total Liabilities	<u>11,612,773</u>	<u>14,576,589</u>	<u>(2,963,816)</u>	-20.3%
Deferred Inflow of Resources	<u>2,603,142</u>	<u>1,851,873</u>	<u>751,269</u>	40.6%
Net Position:				
Net Investment in Capital Assets	15,089,021	13,979,132	1,109,889	7.9%
Restricted	5,156,200	4,827,892	328,308	6.8%
Unrestricted (Deficit)	<u>(7,143,509)</u>	<u>(7,949,381)</u>	<u>805,872</u>	-10.1%
Total Net Position	<u>\$ 13,101,712</u>	<u>\$ 10,857,643</u>	<u>\$ 2,244,069</u>	20.7%

Table 2 shows the changes in net position for fiscal year 2019 compared to fiscal year 2018.

**Table 2**  
**Summary of Changes in Net Position**

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 654,349	\$ 718,406	\$ (64,057)	-8.9%
Operating Grants & Contributions	7,260,180	9,847,467	(2,587,287)	-26.3%
General Revenues:				
Property Taxes	14,913,321	14,687,624	225,697	1.5%
Federal & State Aid	8,807,420	8,928,049	(120,629)	-1.4%
Other General Revenues	721,710	398,374	323,336	81.2%
Special Items:				
Gain/(Loss) on Capital Asset Adjustment	-	(119,691)	119,691	100.0%
Total Revenues	<u>32,356,980</u>	<u>34,460,229</u>	<u>(2,103,249)</u>	-6.1%
<b>Function/Program Expenditures:</b>				
Regular Instruction	5,780,706	6,117,102	(336,396)	-5.5%
Special Education Instruction	2,817,511	2,833,627	(16,116)	-0.6%
Other Instruction	585,897	580,699	5,198	0.9%
Tuition	1,050,953	1,114,772	(63,819)	-5.7%
Student & Instruction Related Services	2,581,713	2,728,690	(146,977)	-5.4%
General Administrative	586,315	441,374	144,941	32.8%
School Administrative Services	636,360	728,300	(91,940)	-12.6%
Central Services	375,815	424,249	(48,434)	-11.4%
Administrative Info. Technology	351,225	388,957	(37,732)	-9.7%
Plant Operations & Maintenance	2,343,913	1,909,748	434,165	22.7%
Pupil Transportation	863,521	1,047,922	(184,401)	-17.6%
Unallocated Benefits	6,054,409	7,928,048	(1,873,639)	-23.6%
On Behalf TPAF Pension and Social				
Security Contributions	4,329,038	5,532,913	(1,203,875)	-21.8%
Interest & Other Charges	177,994	214,670	(36,676)	-17.1%
Unallocated Depreciation	1,296,964	1,293,441	3,523	0.3%
Food Service	532,124	575,076	(42,952)	-7.5%
Extended Daycare	362,132	695,479	(333,347)	-47.9%
Total Expenditures	<u>30,726,590</u>	<u>34,555,067</u>	<u>(3,828,477)</u>	-11.1%
Change In Net Position	1,630,390	(94,838)	1,725,228	-1819.1%
Net Position - Beginning (Restated)	<u>11,471,322</u>	<u>10,952,481</u>	<u>518,841</u>	4.7%
Net Position - Ending	<u>\$ 13,101,712</u>	<u>\$ 10,857,643</u>	<u>\$ 2,244,069</u>	20.7%

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

**Governmental Activities**

During the fiscal year 2019, the net position of governmental activities increased by \$1,634,235 or 15.22%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$12,372,057, with an unrestricted deficit balance of \$7,677,823. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

**Table 3**  
**GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$ (7,677,823)
Add back: PERS Pension Liability	5,786,813
Less: Deferred Outflows related to pensions	(1,522,799)
Add back: Deferred Inflows related to pensions	<u>2,603,142</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ (810,667)</u>

**Business-type Activities**

During the fiscal year 2019, the net position of business-type activities decreased by \$5,332 or (1.83%).

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$285,703.

**General Fund Budgeting Highlights**

Final budgeted revenues was \$22,423,913, which was a decrease of \$159,631 from the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$617,864.

Final budgeted appropriations was \$24,465,436, which was a decrease of \$159,631 from the original budget. The decrease is due to the reduction of state aid. Excluding nonbudgeted expenditures, the School District's budget appropriations exceeded actual expenditures by \$3,121,823.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$7,467,938 at June 30, 2019, an increase of \$1,698,164 from the prior year.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

**Governmental Funds**

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$5,507,024, an increase of \$324,837 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,714,129 to \$6,707,103 at June 30, 2019. The primary factor(s) affecting the change in fund balance of the general fund compared to the change in fund balance in the prior year is as follows:

- Local revenues increased by \$599,396 or 4.22% from the prior year. The biggest component of local revenues being the local tax levy increased \$275,995 or 2.00%.
- Tuition and Miscellaneous Revenue increased by \$323,401 or 81.51% from the prior year

*Special revenue fund* – There was no change in the fund balance for the special revenue fund.

*Capital projects fund* – During the current fiscal year, the fund balance of the School District's capital projects fund decreased by \$1,339,292 to \$(1,200,081) at June 30, 2019. This was due to expenditures on referendum projects before the bond issuance which occurred in July of 2019.

*Debt service fund* - During the current fiscal year, the fund balance of the School District's debt service fund decreased by \$50,000 to \$2 at June 30, 2019.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District's food service fund increased by \$26,946 to \$285,703 at June 30, 2019. The net position increased in the prior year by \$41,509. The primary factor(s) affecting the change in net position of the food service fund compared to the change in net position in the prior year is as follows:

- A non-operating gain on adjustments to capital assets of \$80,015 occurred in the prior year.

*Extended Day Program* - During the current fiscal year, the net position of the School District's Extended Day Program increased by \$1,487 to \$443,952 at June 30, 2019. The net position decreased in the prior by \$287,410. The primary factor(s) affecting the change in net position compared to the prior year change in net position is as follows:

- In the prior year, the program contributed towards large capital upgrades in the School District.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

**Capital Assets**

The School District's capital assets for its governmental and business-type activities as of June 30, 2019, totaled \$19,604,787 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$(206,022). Table 4 shows fiscal 2019 balances compared to 2018.

**Table 4**  
**Summary of Capital Assets**

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 1,236,485	\$ 1,236,485	\$ -	0.0%
Construction in Progress	1,098,717	-	1,098,717	100.0%
Land Improvements	3,333,069	3,622,332	(289,263)	-8.0%
Building and Improvements	13,115,486	13,954,341	(838,855)	-6.0%
Equipment	821,030	997,651	(176,621)	-17.7%
	<u>\$ 19,604,787</u>	<u>\$ 19,810,809</u>	<u>\$ (206,022)</u>	<u>-1.0%</u>

Depreciation expense for the year was \$1,325,065. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$4,570,000, which is a decrease of \$1,320,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

**Factors on the School District's Future**

At the time these financial statements were prepared and audited, the Lumberton Township School District was aware of no existing circumstances that could significantly affect its financial health in the future. The contractual agreements with all recognized bargaining units in the Lumberton Township School District were renegotiated and will expire on June 30, 2019.

**Contacting the School Districts Financial Management**

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

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 3,237,692	\$ 520,894	\$ 3,758,586
Receivables, Net (Note 4)	536,223	15,165	551,388
Internal Balances	7,199	(7,199)	-
Inventory		5,454	5,454
Restricted Cash & Cash Equivalents	1,869,608	-	1,869,608
Capital Assets, Net (Note 5)			
Non-depreciable	2,335,202	-	2,335,202
Depreciable	17,074,244	195,341	17,269,585
	<hr/>		
Total Assets	25,060,168	729,655	25,789,823
<hr/>			
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	1,522,799	-	1,522,799
Related to Loss on Debt Refunding	5,005	-	5,005
	<hr/>		
Total Deferred Outflow of Resources	1,527,804	-	1,527,804
<hr/>			
<b>LIABILITIES:</b>			
Accounts Payable	143,698	-	143,698
Due to Other Governments	266,774	-	266,774
Accrued Interest	52,821	-	52,821
Noncurrent Liabilities (Note 7):			
Due within one year	1,389,982	-	1,389,982
Due in more than one year	9,759,498	-	9,759,498
	<hr/>		
Total Liabilities	11,612,773	-	11,612,773
<hr/>			
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	2,603,142	-	2,603,142
	<hr/>		
Total Deferred Inflow of Resources	2,603,142	-	2,603,142
<hr/>			
<b>NET POSITION:</b>			
Net Investment in Capital Assets	14,893,680	195,341	15,089,021
Restricted for:			
Maintenance Reserve	250,000	-	250,000
Debt Service	2	-	2
Capital Projects	419,527	-	419,527
Excess Surplus	4,486,671	-	4,486,671
Unrestricted (Deficit)	(7,677,823)	534,314	(7,143,509)
	<hr/>		
Total Net Position	\$ 12,372,057	\$ 729,655	\$ 13,101,712
	<hr/>		

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 5,780,706		\$ -		\$ (5,780,706)	\$ -	\$ (5,780,706)
Special Education Instruction	2,817,511		473,699		(2,343,812)		(2,343,812)
Other Special Instruction	478,450		-		(478,450)		(478,450)
Other Instruction	107,447		-		(107,447)		(107,447)
Support Services:							
Tuition	1,050,953		-		(1,050,953)		(1,050,953)
Health Services	261,821		-		(261,821)		(261,821)
Student & Instruction Related Services	2,051,330		51,052		(2,000,278)		(2,000,278)
Educational Media Services / School Library	268,562		-		(268,562)		(268,562)
General Administrative	586,315		-		(586,315)		(586,315)
School Administrative Services	636,360		-		(636,360)		(636,360)
Central Services	375,815		-		(375,815)		(375,815)
Administrative Info. Technology	351,225		-		(351,225)		(351,225)
Plant Operations & Maintenance	2,343,913		-		(2,343,913)		(2,343,913)
Pupil Transportation	863,521		-		(863,521)		(863,521)
Unallocated Benefits	6,054,409		2,171,882		(3,882,527)		(3,882,527)
On Behalf TPAF Pension and Social Security Contributions	4,329,038		4,329,038		-		-
Interest & Other Charges	177,994		-		(177,994)		(177,994)
Unallocated Depreciation	1,296,964		-		(1,296,964)		(1,296,964)
Total Governmental Activities	29,832,334	-	7,025,671	-	(22,806,663)	-	(22,806,663)
Business-Type Activities:							
Food Service	532,124	\$ 292,085	234,509	-	-	\$ (5,530)	(5,530)
Extended Day Care	362,132	362,264	-	-	-	132	132
Total Business-Type Activities	894,256	654,349	234,509	-	-	(5,398)	(5,398)
Total Primary Government	\$ 30,726,590	\$ 654,349	\$ 7,260,180	\$ -	(22,806,663)	(5,398)	(22,812,061)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					14,075,765	-	14,075,765
Property Taxes, Levied for Debt Service					837,556	-	837,556
Federal & State Aid Restricted					545,600	-	545,600
Federal & State Aid Not Restricted					8,261,820	-	8,261,820
Tuition Charges					246,033	-	246,033
Miscellaneous					474,124	1,553	475,677
Total General Revenues and Special Items					24,440,898	1,553	24,442,451
Change In Net Position					1,634,235	(3,845)	1,630,390
Net Position - Beginning (Restated - See Note 22)					10,737,822	733,500	11,471,322
Net Position - Ending					\$ 12,372,057	\$ 729,655	\$ 13,101,712

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

## B. Fund Financial Statements

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>					
Cash & Cash Equivalents	\$ 4,495,955	\$ -	\$ -	\$ 25,379	\$ 4,521,334
Receivables, Net:					
Interfund Receivable	32,576	15,237	-	-	47,813
Due from Other Governments:					
State	223,660	-	-	-	223,660
Federal	-	95,989	-	-	95,989
Other Receivables	212,903	3,671	-	-	216,574
Restricted Cash & Cash Equivalents	1,869,608	-	-	-	1,869,608
<b>Total Assets</b>	<b>6,834,702</b>	<b>114,897</b>	<b>-</b>	<b>25,379</b>	<b>6,974,978</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ 83,561	\$ 1,200,081	\$ -	1,283,642
Accounts Payable	112,362	31,336	-	-	143,698
Interfund Payable	15,237	-	-	25,377	40,614
<b>Total Liabilities</b>	<b>127,599</b>	<b>114,897</b>	<b>1,200,081</b>	<b>25,377</b>	<b>1,467,954</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve	1,619,608	-	-	-	1,619,608
Maintenance Reserve	250,000	-	-	-	250,000
Excess Surplus - Current year	2,456,470	-	-	-	2,456,470
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	2,030,201	-	-	-	2,030,201
Capital Projects	-	-	(1,200,081)	-	(1,200,081)
Debt Service	-	-	-	2	2
<b>Assigned to:</b>					
Designated for Subsequent Year's Expenditures	91,074	-	-	-	91,074
Other Purposes	543,883	-	-	-	543,883
Unassigned	(284,133)	-	-	-	(284,133)
<b>Total Fund Balances</b>	<b>6,707,103</b>	<b>-</b>	<b>(1,200,081)</b>	<b>2</b>	<b>5,507,024</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 6,834,702</b>	<b>\$ 114,897</b>	<b>\$ -</b>	<b>\$ 25,379</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 \$42,236,274 and the accumulated depreciation is \$22,826,828.

19,409,446

Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.

    Deferred Outflows related to pensions

1,522,799

    Deferred Inflows related to pensions

(2,603,142)

    Deferred Outflow related to the loss on bond refunding of debt

5,005

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.

(52,821)

Accrued pension contributions for the June 30, 2019 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.

(266,774)

Long-term liabilities, including net pension liability on bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(11,149,480)

Net Position of Governmental Activities

\$ 12,372,057

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 14,075,765	\$ -	\$ -	\$ 837,556	\$ 14,913,321
Tuition Charges	246,033	-	-	-	246,033
Miscellaneous	474,124	-	-	-	474,124
Total Local Sources	14,795,922	-	-	837,556	15,633,478
State Sources	11,735,616	-	-	545,600	12,281,216
Federal Sources	48,754	556,087	-	-	604,841
Total Revenues	26,580,292	556,087	-	1,383,156	28,519,535
Expenditures:					
Instruction:					
Regular Instruction	5,780,706	-	-	-	5,780,706
Special Education Instruction	2,343,812	473,699	-	-	2,817,511
Other Special Instruction	478,450	-	-	-	478,450
Other Instruction	107,447	-	-	-	107,447
Support Services:					
Tuition	1,050,953	-	-	-	1,050,953
Health Services	261,821	-	-	-	261,821
Student & Instruction Related Services	2,000,278	51,052	-	-	2,051,330
Educational Media Services / School Library	268,562	-	-	-	268,562
General Administrative	410,740	-	-	-	410,740
School Administrative Services	636,360	-	-	-	636,360
Central Services	375,815	-	-	-	375,815
Administrative Info. Technology	351,225	-	-	-	351,225
Plant Operations & Maintenance	2,338,459	-	-	-	2,338,459
Pupil Transportation	863,521	-	-	-	863,521
Unallocated Benefits	4,008,935	31,336	-	-	4,040,271
On Behalf TPAF Pension and Social Security Contributions	3,522,550	-	-	-	3,522,550
Capital Outlay	20,740	-	1,274,292	-	1,295,032
Debt Service:					
Principal	-	-	-	1,320,000	1,320,000
Interest & Other Charges	45,789	-	-	178,156	223,945
Total Expenditures	24,866,163	556,087	1,274,292	1,498,156	28,194,698
Excess/(Deficiency) of Revenues over Expenditures	1,714,129	-	(1,274,292)	(115,000)	324,837
Other Financing Sources (Uses):					
Transfers in	-	-	-	65,000	65,000
Transfers out	-	-	(65,000)	-	(65,000)
Total Other Financing Sources (Uses)	-	-	(65,000)	65,000	-
Net changes in fund balances	1,714,129	-	(1,339,292)	(50,000)	324,837
Fund Balance, July 1	4,992,974	-	139,211	50,002	5,182,187
Fund Balance, June 30	\$ 6,707,103	\$ -	\$ (1,200,081)	\$ 2	\$ 5,507,024

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	324,837
<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 capital outlays exceeded in the period.</p>		
	Depreciation Expense	(1,296,964)
	Capital Outlays	<u>1,114,003</u>
		(182,961)
<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>		
		93,461
<p>Repayment of long-term debt principal and obligation of lease purchase agreements are 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>		
		1,320,000
<p>Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:</p>		
	Amortization of premium on bonds	39,971
	Amortization of loss on Bond Refunding	<u>(8,008)</u>
		31,963
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).</p>		
		13,988
<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>		
		<u>32,947</u>
Change in Net Position of Governmental Activities:	\$	<u><u>1,634,235</u></u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2019**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	EXTENDED DAY CARE	FOOD SERVICE	
Current Assets:			
Cash & Cash Equivalents	\$ 354,595	\$ 166,299	\$ 520,894
Accounts Receivable:			
State	-	400	400
Federal	-	14,765	14,765
Inventories	-	5,454	5,454
Total Current Assets	354,595	186,918	541,513
Noncurrent Assets:			
Equipment	269,039	619,341	888,380
Less: Accumulated Depreciation	(179,682)	(513,357)	(693,039)
Total Noncurrent Assets	89,357	105,984	195,341
Total Assets	443,952	292,902	736,854
LIABILITIES			
Current Liabilities:			
Interfund Payables	-	7,199	7,199
Total Current Liabilities	-	7,199	7,199
Total Liabilities	-	7,199	7,199
NET POSITION			
Investment in Capital Assets	89,357	105,984	195,341
Unrestricted	354,595	179,719	534,314
Total Net Position	\$ 443,952	\$ 285,703	\$ 729,655

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



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR FISCAL YEAR ENDED JUNE 30, 2019**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		<u>TOTAL</u>
	<u>EXTENDED</u>	<u>FOOD</u>	
	<u>DAY CARE</u>	<u>SERVICE</u>	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:	\$ -	\$ 196,706	\$ 196,706
Daily Sales - Nonreimbursable Programs	-	87,030	87,030
Special Functions	-	8,309	8,309
Enrollment Fees	362,264	-	362,264
Miscellaneous	-	40	40
<b>Total Operating Revenue</b>	<b>362,264</b>	<b>292,085</b>	<b>654,349</b>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	-	127,765	127,765
Cost of Sales - Nonreimbursable Programs	-	56,528	56,528
Salaries	296,540	184,961	481,501
Employee Benefits	34,965	37,544	72,509
Supplies and Materials	8,080	15,611	23,691
Management Fee	-	63,600	63,600
Miscellaneous	11,147	29,414	40,561
Depreciation	11,400	16,701	28,101
<b>Total Operating Expenses</b>	<b>362,132</b>	<b>532,124</b>	<b>894,256</b>
<b>Operating Income/(Loss)</b>	<b>132</b>	<b>(240,039)</b>	<b>(239,907)</b>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	5,217	5,217
Federal Sources:			
National School Lunch Program	-	145,940	145,940
School Breakfast Program	-	38,357	38,357
Special Milk Program	-	378	378
Healthy Hungry Kids Act	-	6,025	6,025
Food Distribution Program	-	38,592	38,592
Interest and Investment Revenue	1,355	198	1,553
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>1,355</b>	<b>234,707</b>	<b>236,062</b>
<b>Change in Net Position</b>	<b>1,487</b>	<b>(5,332)</b>	<b>(3,845)</b>
<b>Total Net Position - July 1 (Restated - See Note 22)</b>	<b>442,465</b>	<b>291,035</b>	<b>733,500</b>
<b>Total Net Position - June 30</b>	<b>\$ 443,952</b>	<b>\$ 285,703</b>	<b>\$ 729,655</b>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	EXTENDED	FOOD	TOTAL
	<u>DAY CARE</u>	<u>SERVICE</u>	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 362,264	\$ 292,085	\$ 654,349
Payments to Employees	(296,540)	(184,961)	(481,501)
Payment to Employee Benefits	(34,965)	(37,544)	(72,509)
Payments to Suppliers	(19,227)	(294,453)	(313,680)
Net Cash Provided/(Used) by Operating Activities	<u>11,532</u>	<u>(224,873)</u>	<u>(213,341)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	5,260	5,260
Federal Sources	-	230,250	230,250
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>235,510</u>	<u>235,510</u>
Cash Flows From Investing Activities:			
Interest on Investments	<u>1,355</u>	<u>198</u>	<u>1,553</u>
Net Cash Provided by Investing Activities	<u>1,355</u>	<u>(4,842)</u>	<u>(3,487)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	12,887	5,795	18,682
Cash & Cash Equivalents, July 1	<u>341,708</u>	<u>160,504</u>	<u>502,212</u>
Cash & Cash Equivalents, June 30	<u>\$ 354,595</u>	<u>\$ 166,299</u>	<u>\$ 520,894</u>

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

Operating Income/(Loss)	\$ 132	\$ (240,039)	\$ (239,907)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	11,400	16,701	28,101
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	(534)	(534)
(Decrease)/Increase in Accounts Payable	-	(1,001)	(1,001)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 11,532</u>	<u>\$ (224,873)</u>	<u>\$ (213,341)</u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019**

ASSETS	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>	<u>TOTAL</u>
Cash & Cash Equivalents	\$ 68,377	\$ 77,562	\$ 145,939
Total Assets	<u>68,377</u>	<u>77,562</u>	<u>145,939</u>
 LIABILITIES			
Payroll Deductions & Withholdings Due to Student Groups	-	12,531	12,531
	-	65,031	65,031
Total Liabilities	<u>-</u>	<u>77,562</u>	<u>77,562</u>
 NET POSITION			
Held in Trust For:			
Unemployment Claims	65,144	-	65,144
Scholarships	3,233	-	3,233
Total Net Position	<u>\$ 68,377</u>	<u>\$ -</u>	<u>\$ 68,377</u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
<b>ADDITIONS:</b>	
Contributions:	
Payroll Deductions	\$ 21,591
Donations	1,000
Miscellaneous	<u>65</u>
Total Contributions	<u>22,656</u>
Investment Earnings:	
Interest on Investments	<u>190</u>
Total Investment Earnings	<u>190</u>
Total Additions	<u>22,846</u>
 <b>DEDUCTIONS:</b>	
Unemployment Claims	<u>43,230</u>
Total Deductions	<u>43,230</u>
Change in Net Position	(20,384)
Net Position - Beginning of Year	<u>88,761</u>
Net Position - End of Year	<u><u>\$ 68,377</u></u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies**

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

**Reporting Entity**

The Lumberton Township School District (hereafter referred to as the “District”) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through eighth at its three schools. The District has an approximate enrollment at June 30, 2019 of 1,239 students.

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

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

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

**Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. and GASB 80, Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14. The School District had no component units as of for the year ended June 30, 2019.

**Government-Wide Financial Statements**

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

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

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

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

**Governmental Fund Financial Statements**

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

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

**Proprietary Fund Financial Statements**

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

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



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

**Fiduciary Fund Financial Statements**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

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

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

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

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

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

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

The District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

The District reports the following major proprietary funds:

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

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

Additionally, the District reports the following major fiduciary funds:

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

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

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

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll and Student Activity Funds as Agency Funds.

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

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

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

**Encumbrances**

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

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

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

**Cash and Cash Equivalents**

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

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

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

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

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2019 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

**Inventories**

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

**Interfund Receivables/Payables**

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

**Capital Assets**

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

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

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

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

**Compensated Absences**

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

**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 assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

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

**Fund Balance**

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2019.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

**Net Position**

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

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



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2018:

Statement No. 83, Certain Asset Retirement Obligations. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. This statement had no material impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 84, Fiduciary Activities. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District's financial statements.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

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

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2020. Management has not yet determined the potential impact on the School District's financial statements.

**Bond Premiums, Discounts and Issuance Costs**

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

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2019**

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

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

**Pensions**

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

**Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and December 10, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. See Note 7B for information on a subsequent school bond issue.

**Note 2. Cash Deposits and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2019, the District’s bank balance of \$6,513,908 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	6,209,211
Uninsured and Uncollateralized		304,697
		6,513,908
	\$	6,513,908

**Investments**

The School District has no investments at June 30, 2019.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 3. Reserve Accounts**

**A. Capital Reserve**

A capital reserve account was established by the District by inclusion of \$1,000 on June 30, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$	1,113,123
Increased by:		
Deposits approved by Board		500,000
Interest Earnings		6,484
Ending Balance, June 30, 2019	\$	1,619,607

The June 30, 2019 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

**B. Maintenance Reserve**

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$	-
Increased by:		
Deposits approved by Board		250,000
Ending Balance, June 30, 2019	\$	250,000

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2019 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 95,989	\$ 95,989	\$ 14,765	\$ 14,765
State Awards	223,660	-	223,660	400	400
Tuition	212,903	-	212,903	-	-
Other	-	3,671	3,671	-	-
<b>Total</b>	<b>\$ 436,563</b>	<b>\$ 99,660</b>	<b>\$ 536,223</b>	<b>\$ 15,165</b>	<b>\$ 15,165</b>

**Note 5. Capital Assets**

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

	<u>Balance July 1, 2018 (Restated)</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Adjustments</u>	<u>Balance June 30, 2019</u>
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 1,236,485	\$ -	\$ -	\$ -	\$ 1,236,485
Construction in Progress	-	1,098,717	-	-	1,098,717
<b>Total Capital Assets not being depreciated</b>	<b>1,236,485</b>	<b>1,098,717</b>	<b>-</b>	<b>-</b>	<b>2,335,202</b>
Capital Assets being depreciated:					
Land Improvements	6,336,687	-	-	-	6,336,687
Buildings and Improvements	31,096,975	-	-	-	31,096,975
Equipment	2,452,124	15,286	-	-	2,467,410
<b>Total Capital Assets being depreciated</b>	<b>39,885,786</b>	<b>15,286</b>	<b>-</b>	<b>-</b>	<b>39,901,072</b>
Less: Accumulated Depreciation:					
Land Improvements	(2,714,355)	(289,263)	-	-	(3,003,618)
Buildings and Improvements	(17,243,390)	(827,455)	-	-	(18,070,845)
Equipment	(1,572,119)	(180,246)	-	-	(1,752,365)
<b>Total Accumulated Depreciation</b>	<b>(21,529,864)</b>	<b>(1,296,964)</b>	<b>-</b>	<b>-</b>	<b>(22,826,828)</b>
<b>Total Capital Assets being depreciated, net</b>	<b>18,355,922</b>	<b>(1,281,678)</b>	<b>-</b>	<b>-</b>	<b>17,074,244</b>
<b>Total Governmental Activities Capital Assets, net</b>	<b>\$ 19,592,407</b>	<b>\$ (182,961)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,409,446</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 5. Capital Assets (continued):**

	Balance July 1, 2018	Additions	Retirements and Transfers	Adjustments	Balance June 30, 2019
<b>Business-Type Activities:</b>					
Buildings and Improvements	\$ 269,039	\$ -	\$ -	\$ -	\$ 269,039
Equipment	614,302	5,040	-	-	619,342
	<u>883,341</u>	<u>5,040</u>	<u>-</u>	<u>-</u>	<u>888,381</u>
Less: Accumulated Depreciation:					
Buildings and Improvements	(168,283)	(11,400)	-	-	(179,683)
Equipment	(496,656)	(16,701)	-	-	(513,357)
	<u>(664,939)</u>	<u>(28,101)</u>	<u>-</u>	<u>-</u>	<u>(693,040)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 218,402</u>	<u>\$ (23,061)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,341</u>

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2019 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 32,576	\$ 15,237
Special Revenue Fund	15,237	-
Debt Service Fund	-	25,377
Food Service Fund	<u>-</u>	<u>7,199</u>
	<u>\$ 47,813</u>	<u>\$ 47,813</u>

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

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects Fund	\$ -	\$ 65,000
Debt Service Fund	<u>65,000</u>	<u>-</u>
	<u>\$ 65,000</u>	<u>\$ 65,000</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 7. Long-Term Obligations**

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

	Balance July 1, 2018	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2019	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 5,890,000	\$ -	\$ 1,320,000	\$ 4,570,000	\$ 1,365,000
Unamortized Bond Premiums	64,953	-	39,971	24,982	24,982
Compensated Absences	800,632	-	32,947	767,685	-
Net Pension Liability	7,354,788	-	1,567,975	5,786,813	-
	<u>\$ 14,110,373</u>	<u>\$ -</u>	<u>\$ 2,960,893</u>	<u>\$ 11,149,480</u>	<u>\$ 1,389,982</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences, capital leases, unamortized bond premiums, assessments and net pension liability are liquidated by the general fund.

**A. Bonds Payable:**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2019, bonds payable consisted of the following individual issues:

On August 4, 2010, the School District issued \$7,000,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.500% to 3.375% and mature on February 15, 2026.

On April 1, 2015, the School District issued \$4,205,000 of Refunding Bonds to refund the callable portion of the outstanding 2005 Bond Issue. The Refunding Bonds generated \$243,593 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$248,388, or a net annual present value savings of 5.906969%. The Refunding Bonds were issued at interest rates varying from 4.00% to 4.25% and mature on February 15, 2020.

Principal and Interest due on the outstanding bonds is as follows:

Fiscal Year Ending	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$	1,365,000	\$ 140,856	\$ 1,505,856
2021		490,000	101,094	591,094
2022		505,000	86,394	591,394
2023		525,000	71,244	596,244
2024		540,000	55,494	595,494
2025-2026		1,145,000	57,687	1,202,687
	<u>\$</u>	<u>4,570,000</u>	<u>\$ 512,769</u>	<u>\$ 5,082,769</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 7. Long-Term Obligations (continued):**

**B. Bonds Authorized But Not Issued:**

The District authorized the issuance of \$4,881,000 of School Bonds in June of 2019 which then closed on July 18, 2019. The purpose of the Bonds is to permanently finance renovations, alterations and improvements at Ashbrook Elementary School, Bobby's Run School, Lumberton Middle School and Florence L. Walther Elementary School including related work, fixtures, furnishings, equipment and site work. The Board is entitled to receive 40% debt service aid on the eligible costs of the Projects. The General Obligation Bonds were issued at interest rates varying from 2.00% to 2.250% and mature on July 15, 2029. The District will receive Debt Service Aid from the State of New Jersey to assist in debt service payments.

**Note 8. Pension Plans**

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

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

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

The following represents the membership tiers for PERS:

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (continued):**

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

by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2019, the School District reported a liability of \$5,786,813 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018.

The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The School District's proportion measured as of June 30, 2019, was .02939%, which was a decrease of .00220% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$198,877 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:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (continued):**

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

:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 110,355	\$ 29,839
Changes of Assumptions	953,571	1,850,315
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	54,281
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	192,099	668,707
School District Contributions Subsequent to Measurement Date	266,774	-
	\$ 1,522,799	\$ 2,603,142

\$266,774 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending Dec 31,</b>	<b>Amount</b>
2019	\$ 90,663
2020	(170,015)
2021	(431,397)
2022	(411,391)
2023	(158,203)
	\$ (1,080,343)

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (continued):**

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

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:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
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 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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (continued):**

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement 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 plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. 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).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (continued):**

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

expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's 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>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	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 rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (continued):**

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

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2018, calculated using the 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-percentage point lower or 1-percentage point higher than the current rate:

	<b>1% Decrease <u>(4.66%)</u></b>	<b>Current Discount Rate <u>(5.66%)</u></b>	<b>1% Increase <u>(6.66%)</u></b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 7,276,251</u>	<u>\$ 5,786,813</u>	<u>\$ 4,537,270</u>

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective Deferred Outflows of Resources	4,684,852,302	5,396,431,901
Collective Deferred Inflows of Resources	7,646,736,226	4,672,602,040
Collective Net Pension Liability	19,689,501,539	23,278,401,588
School District's Portion	0.09827%	0.10325%

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

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (continued):**

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for TPAF 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 7.2% in State fiscal year 2017. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2018 was \$62,517,273. The School District's proportionate share was \$0.

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, which was rolled forward to June 30, 2018. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .09827%, which was a decrease of .00049% from its proportion measured as of June 30, 2017.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (Continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (Continued)**

For the fiscal year ended June 30, 2019, the School District recognized \$3,644,538 in on-behalf 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.

**Actuarial Assumptions** – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-Term Expected Rate of Return** - 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (Continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	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 rate used to measure the total pension liability was 4.86% as of June 30, 2018. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.86% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (continued):**

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

	<b>1% Decrease <u>(3.86%)</u></b>	<b>Current Discount Rate <u>(4.86%)</u></b>	<b>1% Increase <u>(5.86%)</u></b>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>73,894,229</u>	<u>62,517,273</u>	<u>53,086,053</u>
	<u>\$ 73,894,229</u>	<u>\$ 62,517,273</u>	<u>\$ 53,086,053</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 fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective Deferred Outflows of Resources	12,675,037,111	14,353,461,035
Collective Deferred Inflows of Resources	16,381,811,884	11,992,821,439
Collective Net Pension Liability	63,806,350,446	67,670,209,171
School District's Portion	0.00000%	0.00000%

**C. Defined Contribution Plan (DCRP)**

**Plan Description** - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 8. Pension Plans (Continued):**

**C. Defined Contribution Plan (DCRP) (Continued)**

- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

**Contributions** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2019, employee contributions totaled \$24,856 and the District recognized pension expense of \$745.

**Note 9. Other Post-Retirement Benefits**

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan 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 State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey 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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 9. Other Post-Retirement Benefits (Continued):**

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Basis of Presentation**

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

<b>Inflation Rate</b>	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age	3.10 - 9.98% based on age

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

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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 9. Other Post-Retirement Benefits (Continued):**

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2018 was \$49,136,472. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2018, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2017. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the OPEB Obligation attributable to the School District was 0.10656%, which was a decrease of 0.00147% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB expense in the amount of \$2,139,543 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2018 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For 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.

**Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate**

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 9. Other Post-Retirement Benefits (Continued):**

	<b>June 30, 2018</b>		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 58,089,312.41	\$ 49,136,472	\$ 42,019,888.40
State of New Jersey's Total Non- employer Liability	\$ 54,512,391,175	\$ 46,110,832,982	\$ 39,432,461,816

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate**

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2018</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 40,614,155.91	\$ 49,136,472	\$ 60,407,561.28
State of New Jersey's Total Nonemployer OPEB Liability	\$ 38,113,289,045	\$ 46,110,832,982	\$ 56,687,891,003

\* See Healthcare Cost Trend Assumptions for details of rates.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 9. Other Post-Retirement Benefits (Continued):**

**Additional Information**

Collective balances of the Local Group at June 30, 2018 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 1,377,313,892.00	\$ (1,377,313,892.00)
Differences between Expected & Actual Experience	-	(4,476,086,167.00)
Change in Assumptions	-	(10,335,978,867.00)
Contributions Made in Fiscal Year Year Ending 2019 After June 30, 2018 Measurement Date **	TBD	-
	\$ 1,377,313,892	\$ (16,189,378,926)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2019	\$ (1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	(5,685,972,069)
	(14,812,065,034)

**Plan Membership**

At June 30, 2017, the Program membership consisted of the following:

	June 30, 2017
Active Plan Members	217,131.00
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050.00
	362,181.00

**Change in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

**Total OPEB Liability**

Service Cost	\$ 1,984,642,729
Interest Cost	1,970,236,232
Difference Between Expected & Actual Experience	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Contributions: Member	42,614,005
Gross Benefit Payments	(1,232,987,247)
Net Change in Total OPEB Liability	(7,529,008,876)
Total OPEB Liability (Beginning)	53,639,841,858
Total OPEB Liability (Ending)	\$ 46,110,832,982
Total Covered Employee Payroll	\$ 13,640,275,833
Net OPEB Liability as a Percentage of Payroll	338%

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 10. On-Behalf Payments for Fringe Benefits and Salaries**

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2019, the on-behalf payments for normal costs, social security costs, post-retirement medical costs, and long-term disability were \$1,951,741, \$684,500, \$885,306 and \$1,003, respectively.

**Note 11. Risk Management**

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

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 21,591	\$ 189	\$ 43,230	\$ 65,144
2017-2018	21,146	119	5,334	86,594
2016-2017	23,995	36	22,120	70,663

**Joint Insurance Pool** – The School District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage’s:

Property – Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers’ Compensation
School Board Legal Liability	Crime Coverage

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2019 may



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 12. Contingencies (Continued):**

be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Note 13. Operating Leases Payable**

At June 30, 2019, the School District had operating lease agreements in effect for copiers. Total operating lease payments made during the year ended June 30, 2019 was \$199,080. The following is a schedule of the remaining future minimum lease payments under these operating leases.

Fiscal Year Ending <u>June 30,</u>	
2020	\$ 43,272
2021	43,272
2022	43,272
2023	43,272
2024	<u>21,636</u>
Total Minimum Lease Payments	<u>\$ 194,724</u>

**Note 14. Economic Dependency**

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

**Note 15. Deferred Compensation**

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning  
AXA Equitable

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**Note 16. Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amount of vacation and sick leave in accordance with the District's personnel policies. The District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types 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 and on the proprietary fund Statement of Net Position was \$767,685 and \$0, respectively.

**Note 17. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

**Note 18. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 was \$2,456,470.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 19. Fund Balance**

**General Fund** – Of the \$6,707,103 General Fund fund balance at June 30, 2019, \$1,619,608 has been reserved in the Capital Reserve Account; \$250,000 has been reserved in the maintenance reserve account; \$2,456,470 is restricted for current year excess surplus; \$2,030,201 is restricted for prior year excess surplus – designated for subsequent year’s expenditures; \$91,074 has been assigned as designated for subsequent year’s expenditures; \$543,883 has been assigned to other purposes; and (\$284,133) is unassigned.

**Debt Service Fund** – Of the \$2 Debt Service Fund fund balance at June 30, 2019, \$2 is restricted for future debt service payments.

**Note 20. Deficit Fund Balances**

The School District has a deficit fund balance of \$284,133 in the General Fund 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, 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. 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 payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) 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 fund statements (modified accrual basis) of \$284,133 is less than the last state aid payment.

The School District has a deficit fund balance of \$1,200,081 in the Capital Projects Fund as reported in the fund statements (modified accrual basis). As noted in Note 7B, the District authorized the issuance of School Bonds in June of 2019, however, the bond proceeds were not received until July of 2019, subsequent to the year end. Due to the nature of the schools projects, it was necessary the District make payments to various contractors previous to the receipt of the bond proceeds. The Capital Projects Fund balance deficit does not indicate the district is facing financial difficulties.

**Note 21. Deficit in Net Position**

**Unrestricted Net Position** – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$7,677,823. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments, the previously mentioned capital projects deficit and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2019. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019**

**Note 22. Prior Period Adjustment/Restatement of Net Position**

**Correction of an Error** - In the fiscal year ended June 30, 2019, the School District determined that the capital asset balance recorded in the prior period was not accurate. The District conducted an internal audit of all assets and an adjustment of the prior year balances is required per the internal audit results. The District's net position was determined to be understated by \$613,679 as of June 30, 2018, resulting in an understatement of capital assets, and net investment in capital assets for the same amount. The District has corrected this by restating the balances for the fiscal year ended June 30, 2019 as follows:

	<b>Original Balance</b>	<b>Net Adjustment</b>	<b>Restated Balance</b>
Capital Assets, Net	\$ 19,197,130	\$ 613,679	\$ 19,810,809
Net Investment in Capital Assets	13,979,132	613,679	14,592,811
Net Position	10,857,643	613,679	11,471,322

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 14,075,765	\$ -	\$ 14,075,765	\$ 14,075,765	\$ -
Tuition - Other LEA's Within State	10-1300	-	-	-	246,033	246,033
Interest on Capital Reserve	10-1000	500	-	500	6,484	5,984
Miscellaneous	10-1000	170,000	-	170,000	467,640	297,640
<b>Total Local Sources</b>		<b>14,246,265</b>	<b>-</b>	<b>14,246,265</b>	<b>14,795,922</b>	<b>549,657</b>
<b>State Sources:</b>						
Categorical Transportation Aid	10-3121	343,476	(269,631)	73,845	73,845	-
Categorical Special Education Aid	10-3132	906,745	-	906,745	906,745	-
Equalization Aid	10-3176	6,879,838	-	6,879,838	6,879,838	-
Categorical Security Aid	10-3177	176,844	-	176,844	176,844	-
Non Public School Transportation Aid	10-3000	-	-	-	21,123	21,123
Extraordinary Aid	10-3131	-	110,000	110,000	138,706	28,706
<b>Nonbudgeted:</b>						
<b>On-Behalf TPAF:</b>						
Post-Retirement Medical Contributions		-	-	-	885,306	885,306
Normal Pension Contributions		-	-	-	1,951,741	1,951,741
Long Term Disability Insurance		-	-	-	1,003	1,003
Reimbursed TPAF Social Security		-	-	-	684,500	684,500
<b>Total State Sources</b>		<b>8,306,903</b>	<b>(159,631)</b>	<b>8,147,272</b>	<b>11,719,651</b>	<b>3,572,379</b>
<b>Federal Sources:</b>						
Special Education Medicaid Initiative (SEMI)	10-4200-000-000	30,376	-	30,376	48,754	18,378
<b>Total Federal Sources</b>		<b>30,376</b>	<b>-</b>	<b>30,376</b>	<b>48,754</b>	<b>18,378</b>
<b>Total Revenues</b>		<b>22,583,544</b>	<b>(159,631)</b>	<b>22,423,913</b>	<b>26,564,327</b>	<b>4,140,414</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool/Kindergarten	11-110-100-101	283,389	52,560	335,949	335,949	-
Grades 1 - 5	11-120-100-101	2,746,628	(79,786)	2,666,842	2,617,195	49,647
Grades 6 - 8	11-130-100-101	2,347,234	659	2,347,893	2,317,023	30,870
<b>Home Instruction - Regular Programs:</b>						
Salaries of Teachers	11-150-100-101	20,250	4,245	24,495	22,618	1,877
Purchased Professional - Educational Services	11-150-100-320	11,000	2,594	13,594	9,693	3,901
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	39,000	-	39,000	4,333	34,667
Purchased Professional - Educational Services	11-190-100-320	312,000	(9,500)	302,500	194,077	108,423
Purchased Technical Services	11-190-100-340	2,250	-	2,250	-	2,250
General Supplies	11-190-100-610	355,448	2,404	357,852	279,207	78,645
Textbooks	11-190-100-640	16,294	(1,125)	15,169	461	14,708
Other Objects	11-190-100-890	1,200	-	1,200	150	1,050
<b>Total Regular Programs</b>		<b>6,134,693</b>	<b>(27,949)</b>	<b>6,106,744</b>	<b>5,780,706</b>	<b>326,038</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	171,979	43,512	215,491	207,465	8,026
Other Salaries for Instruction	11-204-100-106	190,148	-	190,148	166,785	23,363
General Supplies	11-204-100-610	10,200	-	10,200	4,904	5,296
Total Learning &/or Language Disabilities		372,327	43,512	415,839	379,154	36,685
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	99,607	(21,289)	78,318	-	78,318
Other Salaries for Instruction	11-212-100-106	45,016	(9,448)	35,568	18,346	17,222
General Supplies	11-212-100-610	9,800	-	9,800	9,460	340
Total Multiple Disabilities		154,423	(30,737)	123,686	27,806	95,880
Resource Room / Resource Center:						
Salaries of Teachers	11-213-100-101	1,463,418	32,188	1,495,606	1,495,606	-
Other Salaries for Instruction	11-213-100-106	318,364	-	318,364	285,334	33,030
General Supplies	11-213-100-610	16,162	-	16,162	13,770	2,392
Total Resource Room/Resource Center		1,797,944	32,188	1,830,132	1,794,710	35,422
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	84,226	30,789	115,015	115,014	1
Other Salaries for Instruction	11-215-100-106	17,522	10,000	27,522	26,645	877
General Supplies	11-215-100-610	1,100	-	1,100	483	617
Total Preschool Disabilities - Part-Time		102,848	40,789	143,637	142,142	1,495
Total Special Education		2,427,542	85,752	2,513,294	2,343,812	169,482
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	217,439	3,182	220,621	211,814	8,807
Other Salaries for Instruction	11-230-100-106	179,573	6,000	185,573	177,743	7,830
General Supplies	11-230-100-610	11,574	438	12,012	9,376	2,636
Total Basic Skills/Remedial - Instruction		408,586	9,620	418,206	398,933	19,273
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	74,423	3,722	78,145	78,142	3
General Supplies	11-240-100-610	1,555	-	1,555	1,375	180
Textbooks	11-240-100-640	930	-	930	-	930
Total Bilingual Education - Instruction		76,908	3,722	80,630	79,517	1,113
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	81,311	-	81,311	66,204	15,107
General Supplies	11-401-100-610	6,577	-	6,577	3,965	2,612
Total School Sponsored Cocurricular - Activities		87,888	-	87,888	70,169	17,719
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	28,520	2,296	30,816	30,816	-
General Supplies	11-402-100-610	3,670	-	3,670	1,960	1,710
Other Objects	11-402-100-800	4,600	-	4,600	4,502	98
Total School Sponsored Athletics - Instruction		36,790	2,296	39,086	37,278	1,808
Total - Instruction		9,172,407	73,441	9,245,848	8,710,415	535,433

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Undistributed Expenditures						
Instruction:						
Tuition to Other LEAs Within State Special	11-000-100-562	250,000	-	250,000	141,424	108,576
Tuition to CSSD & Regional Day School	11-000-100-565	410,000	155,000	565,000	494,637	70,363
Tuition to Private Schools for Disabled Within the State	11-000-100-566	822,340	(155,000)	667,340	414,892	252,448
Tuition Other	11-000-100-569	6,000	-	6,000	-	6,000
Total Undistributed Expenditures - Instruction		1,488,340	-	1,488,340	1,050,953	437,387
Attendance and Social Work Services:						
Purchased Technical Services	11-000-211-340	7,500	-	7,500	2,300	5,200
Total Attendance and Social Work Services		7,500	-	7,500	2,300	5,200
Health Services:						
Salaries	11-000-213-100	245,009	5,059	250,068	245,602	4,466
Purchased Professional & Technical Services	11-000-213-300	17,000	-	17,000	10,207	6,793
Supplies and Materials	11-000-213-600	6,510	-	6,510	6,012	498
Total Health Services		268,519	5,059	273,578	261,821	11,757
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	403,980	3,279	407,259	395,448	11,811
Purchased Professional - Educational Services	11-000-216-320	465,000	(29,000)	436,000	289,157	146,843
Supplies and Materials	11-000-216-600	9,200	(460)	8,740	4,582	4,158
Total Other Support Services - Students - Related Services		878,180	(26,181)	851,999	689,187	162,812
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	300,710	695	301,405	263,439	37,966
Salaries of Secretarial & Clerical Assistants	11-000-218-105	27,314	-	27,314	27,309	5
Total Other Support Services - Students - Regular		328,024	695	328,719	290,748	37,971
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	571,994	36,994	608,988	600,063	8,925
Salaries of Secretarial & Clerical Assistants	11-000-219-105	48,296	862	49,158	47,706	1,452
Purchased Professional - Educational Services	11-000-219-320	18,000	-	18,000	18,000	-
Supplies and Materials	11-000-219-600	18,800	(3,429)	15,371	9,162	6,209
Other Objects	11-000-219-800	1,200	300	1,500	1,455	45
Total Other Support Services - Students - Special Services		658,290	34,727	693,017	676,386	16,631
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	165,304	61	165,365	162,696	2,669
Salaries of Other Professional Staff	11-000-221-104	78,867	-	78,867	61,029	17,838
Total Improvement of Instruction Services		244,171	61	244,232	223,725	20,507
Educational Media Services/School Library:						
Salaries	11-000-222-100	169,911	-	169,911	157,450	12,461
Purchased Professional & Technical Services	11-000-222-300	22,750	-	22,750	19,084	3,666
Other Purchase Services	11-000-222-500	98,783	-	98,783	64,083	34,700
Supplies and Materials	11-000-222-600	38,905	(3,226)	35,679	27,945	7,734
Total Educational Media Services/School Library		330,349	(3,226)	327,123	268,562	58,561
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	20,246	-	20,246	12,296	7,950

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Salaries of Secretarial & Clerical Assistants	11-000-223-105	53,804	1,510	55,314	53,801	1,513
Purchased Professional - Educational Services	11-000-223-320	63,000	(1,324)	61,676	23,733	37,943
Purchased Professional & Technical Services	11-000-223-390	10,000	(360)	9,640	9,110	530
Other Purchased Services	11-000-223-500	8,000	9,144	17,144	17,089	55
Supplies and Materials	11-000-223-600	500	-	500	341	159
Other Objects	11-000-223-800	1,880	-	1,880	1,562	318
<b>Total Instructional Staff Training Services</b>		<b>157,430</b>	<b>8,970</b>	<b>166,400</b>	<b>117,932</b>	<b>48,468</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	234,872	-	234,872	234,871	1
Legal Services	11-000-230-331	71,500	(24,465)	47,035	39,471	7,564
Audit Services	11-000-230-332	30,000	23,115	53,115	26,615	26,500
Other Purchased Professional Services	11-000-230-339	1,000	1,700	2,700	2,543	157
Purchased Technical Services	11-000-230-340	11,700	8,696	20,396	2,575	17,821
Communications/Telephone	11-000-230-530	75,450	(3,959)	71,491	57,584	13,907
BOE Other Purchased Services	11-000-230-585	23,000	(8,000)	15,000	5,350	9,650
Other Purchased Services (400-500Series)	11-000-230-590	-	8,000	8,000	3,580	4,420
General Supplies	11-000-230-610	21,000	-	21,000	17,990	3,010
Miscellaneous Expenditures	11-000-230-890	2,800	-	2,800	2,215	585
BOE Membership Dues & Fees	11-000-230-895	17,720	1,826	19,546	17,946	1,600
<b>Total Support Services General Administration</b>		<b>489,042</b>	<b>6,913</b>	<b>495,955</b>	<b>410,740</b>	<b>85,215</b>
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	390,076	9,069	399,145	399,145	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	252,353	(3,099)	249,254	224,791	24,463
Supplies and Materials	11-000-240-600	7,650	-	7,650	6,560	1,090
Other Objects	11-000-240-800	6,500	-	6,500	5,864	636
<b>Total Support Services School Administration</b>		<b>656,579</b>	<b>5,970</b>	<b>662,549</b>	<b>636,360</b>	<b>26,189</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	393,142	(69,530)	323,612	294,852	28,760
Unused Vac Payment to Term/Ret Staff	11-000-251-199	-	31,193	31,193	31,193	-
Purchased Professional Services	11-000-251-330	20,000	27,530	47,530	43,128	4,402
Other Purchased Services	11-000-251-592	3,200	(530)	2,670	1,920	750
Supplies and Materials	11-000-251-600	4,540	-	4,540	2,612	1,928
Interest for Lease Purchase Agreement	11-000-251-832	2,500	-	2,500	-	2,500
Miscellaneous Expenditures	11-000-251-890	2,000	110	2,110	2,110	-
<b>Total Central Services</b>		<b>425,382</b>	<b>(11,227)</b>	<b>414,155</b>	<b>375,815</b>	<b>38,340</b>
<b>Administration Information Technology:</b>						
Salaries	11-000-252-100	165,442	1,731	167,173	167,173	-
Purchased Technical Services	11-000-252-340	56,000	5,815	61,815	61,753	62
Supplies and Materials	11-000-252-600	127,400	6,985	134,385	121,180	13,205
Miscellaneous Expenditures	11-000-252-800	1,100	200	1,300	1,119	181
<b>Total Administration Information Technology</b>		<b>349,942</b>	<b>14,731</b>	<b>364,673</b>	<b>351,225</b>	<b>13,448</b>
<b>Allowable Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	5,000	-	5,000	-	5,000
Cleaning, Repair & Maintenance Services	11-000-261-420	149,625	13,572	163,197	141,030	22,167
General Supplies	11-000-261-610	89,350	(13,572)	75,778	73,592	2,186
Other Objects	11-000-261-800	11,250	-	11,250	5,010	6,240
<b>Total Allowable Maintenance for School Facilities</b>		<b>255,225</b>	<b>-</b>	<b>255,225</b>	<b>219,632</b>	<b>35,593</b>
<b>Other Operation &amp; Maintenance of Plant:</b>						
Salaries	11-000-262-100	860,786	9,906	870,692	767,133	103,559
Purchased Professional & Technical Services	11-000-262-300	20,000	-	20,000	14,482	5,518

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Cleaning, Repair & Maintenance Services	11-000-262-420	214,283	221,130	435,413	411,676	23,737
Rental of Land & Building	11-000-262-441	2,000	-	2,000	-	2,000
Other Purchased Property Services	11-000-262-490	185,000	(39,842)	145,158	95,277	49,881
Insurance	11-000-262-520	88,300	-	88,300	79,141	9,159
General Supplies	11-000-262-610	80,500	-	80,500	72,916	7,584
Energy (Natural Gas)	11-000-262-621	100,000	12,279	112,279	112,279	-
Energy (Electricity)	11-000-262-622	580,000	(162,107)	417,893	410,905	6,988
Energy (Gasoline)	11-000-262-626	7,500	-	7,500	6,141	1,359
Other Objects	11-000-262-800	2,500	-	2,500	1,700	800
<b>Total Other Operation &amp; Maintenance of Plant</b>		<b>2,140,869</b>	<b>41,366</b>	<b>2,182,235</b>	<b>1,971,650</b>	<b>210,585</b>
Care & Upkeep of Grounds:						
Other Purchased Professional Salaries	11-000-263-100	66,772	-	66,772	57,874	8,898
Technical Services	11-000-263-300	6,500	-	6,500	3,700	2,800
General Supplies	11-000-263-610	20,000	-	20,000	10,603	9,397
<b>Total Care &amp; Upkeep of Grounds</b>		<b>93,272</b>	<b>-</b>	<b>93,272</b>	<b>72,177</b>	<b>21,095</b>
Security :						
General Supplies	11-000-266-610	75,000	-	75,000	75,000	-
<b>Total Security</b>		<b>75,000</b>	<b>-</b>	<b>75,000</b>	<b>75,000</b>	<b>-</b>
Student Transportation Services:						
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	58,000	-	58,000	45,674	12,326
Contracted Services (Between Home & School) - Vendors	11-000-270-511	460,640	-	460,640	385,991	74,649
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	18,500	-	18,500	10,377	8,123
Contracted Services (Between Home & School) - Joint	11-000-270-513	20,000	-	20,000	-	20,000
Contracted Services (Special Education Students) - Vendors	11-000-270-514	85,000	673	85,673	78,854	6,819
Contracted Services (Special Education Students) - Joint	11-000-270-515	30,000	-	30,000	25,755	4,245
Contracted Services (Regular Students) - ESC's	11-000-270-517	95,000	-	95,000	58,104	36,896
Contracted Services (Special Education Students) - ESC's	11-000-270-518	395,000	-	395,000	258,766	136,234
<b>Total Student Transportation Services</b>		<b>1,162,140</b>	<b>673</b>	<b>1,162,813</b>	<b>863,521</b>	<b>299,292</b>
Unallocated Benefits - Employee Benefits:						
Group Insurance	11-000-291-210	15,000	-	15,000	4,879	10,121
Social Security	11-000-291-220	340,000	(5,000)	335,000	246,451	88,549
Other Retirement Contributions- PERS	11-000-291-241	323,978	-	323,978	293,224	30,754
Other Retirement Contributions - Regular	11-000-291-249	9,000	5,875	14,875	13,533	1,342
Unemployment Compensation	11-000-291-250	20,000	(875)	19,125	1,867	17,258
Workmen's Compensation	11-000-291-260	94,639	-	94,639	93,299	1,340
Health Benefits	11-000-291-270	4,430,200	(311,603)	4,118,597	3,303,453	815,144
Tuition Reimbursements	11-000-291-280	30,000	-	30,000	3,366	26,634
Other Employee Benefits	11-000-291-290	5,000	-	5,000	2,863	2,137
Unused Vacation Payment to Term/Ret. Staff	11-000-291-299	70,000	-	70,000	46,000	24,000
<b>Total Unallocated Benefits</b>		<b>5,337,817</b>	<b>(311,603)</b>	<b>5,026,214</b>	<b>4,008,935</b>	<b>1,017,279</b>
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	885,306	(885,306)
Normal Pension Contributions		-	-	-	1,951,741	(1,951,741)
Long Term Disability Insurance		-	-	-	1,003	(1,003)
Reimbursed TPAF Social Security		-	-	-	684,500	(684,500)
<b>Total Undistributed Expenditures</b>		<b>15,346,071</b>	<b>(233,072)</b>	<b>15,112,999</b>	<b>16,089,219</b>	<b>(976,220)</b>
<b>Total Expenditures - Current Expense</b>		<b>24,518,478</b>	<b>(159,631)</b>	<b>24,358,847</b>	<b>24,799,634</b>	<b>(440,787)</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604-000-000	500	-	500	-	500
Total Increase in Capital Reserve		500	-	500	-	500
Equipment:						
Regular Programs - Instruction:						
Administrative Info Technology	12-000-252-730	23,000	-	23,000	10,949	12,051
Custodial Services	12-000-262-730	20,000	-	20,000	4,750	15,250
Care and Upkeep of Grounds	12-000-263-730	5,100	-	5,100	-	5,100
Security	12-000-266-730	5,000	-	5,000	-	5,000
Non-Instructional Services	12-000-300-730	7,200	-	7,200	5,041	2,159
Total Equipment		60,300	-	60,300	20,740	39,560
Facilities Acquisition & Construction Services:						
Assessment for Debt Service	12-000-400-896	45,789	-	45,789	45,789	-
Total Facilities Acquisition & Construction Services		45,789	-	45,789	45,789	-
Total Capital Outlay		106,589	-	106,589	66,529	40,060
Total Expenditures		24,625,067	(159,631)	24,465,436	24,866,163	(400,727)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(2,041,523)	-	(2,041,523)	1,698,164	3,739,687
Fund Balances, July 1		5,769,774	-	5,769,774	5,769,774	-
Fund Balances, June 30		\$ 3,728,251	\$ -	\$ 3,728,251	\$ 7,467,938	\$ 3,739,687

**RECAPITULATION OF FUND BALANCE**

<b>Restricted Fund Balance:</b>		
Reserved Excess Surplus Designated of Subsequent Year's Expenditures	\$ 2,030,201	
Maintenance Reserve	250,000	
Capital Reserve	1,619,608	
Excess Surplus	2,456,470	
<b>Assigned Fund Balance:</b>		
Year-End Encumbrances	543,883	
Designated for Subsequent Year's Expenditures	91,074	
<b>Unassigned Fund Balance</b>	476,702	
Subtotal	7,467,938	
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis	(760,835)	
Total Fund Balance per Governmental Funds (GAAP)	\$ 6,707,103	

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Federal Sources	\$ 358,838	\$ 197,249	\$ 556,087	\$ 556,087	\$ -
Total Revenues	358,838	197,249	556,087	556,087	-
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	19,240	111,783	131,023	131,023	-
Professional Educational Services	-	4,550	4,550	4,550	-
Tuition	338,126	-	338,126	338,126	-
Total Instruction	357,366	116,333	473,699	473,699	-
Support Services:					
Salaries	-	3,869	3,869	3,869	-
Personal Services - Employee Benefits	1,472	29,864	31,336	31,336	-
Purchased Professional Services	-	34,272	34,272	34,272	-
Other Purchased Services	-	5,337	5,337	5,337	-
Supplies & Materials	-	7,574	7,574	7,574	-
Total Support Services	1,472	80,916	82,388	82,388	-
Total Expenditures	358,838	197,249	556,087	556,087	-
Total Outflows	358,838	197,249	556,087	556,087	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION - PART II  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI - PART II  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**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) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 26,564,327	\$ 556,087
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	776,800	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(760,835)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 26,580,292</u>	<u>\$ 556,087</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>24,866,163</u>	<u>556,087</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 24,866,163</u>	<u>\$ 556,087</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**  
**LAST SIX FISCAL YEARS\***

	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.02939%	0.03159%	0.03274%	0.03107%	0.03040%	0.03276%
School District's proportionate share of the net pension liability	\$ 5,786,813	\$ 7,354,788	\$ 9,697,166	\$ 6,974,000	\$ 5,691,661	\$ 6,261,749
School District's covered payroll	\$ 1,922,441	\$ 2,092,961	\$ 2,149,630	\$ 2,192,147	\$ 2,144,986	\$ 2,074,797
School District's proportionate share of the net pension liability as a percentage of its covered payroll	301.01%	351.41%	451.11%	318.14%	265.35%	301.80%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
LAST SIX FISCAL YEARS**

	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 292,339	\$ 292,693	\$ 290,873	\$ 267,096	\$ 250,611	\$ 246,866
Contributions in relation to the contractually required contribution	(292,339)	(292,693)	(290,873)	(267,096)	(250,611)	(246,866)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 2,092,961	\$ 2,149,630	\$ 2,192,147	\$ 2,144,986	\$ 2,074,797	n/a
Contributions as a percentage of covered payroll	13.97%	13.62%	14.11%	13.53%	12.18%	11.68%

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION AND ANNUITY FUND (TPAF)**  
**LAST SIX FISCAL YEARS\***

	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	62,517,273	69,617,672	80,497,849	59,538,110	52,486,407	50,245,999
	<u>\$ 62,517,273</u>	<u>\$ 69,617,672</u>	<u>\$ 80,497,849</u>	<u>\$ 59,538,110</u>	<u>\$ 52,486,407</u>	<u>\$ 50,245,999</u>
School District's covered payroll	\$ 9,759,042	\$ 10,038,054	\$ 10,278,649	\$ 10,492,779	\$ 10,173,303	\$ 9,457,611
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%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS  
(GASB 75)**

EXHIBIT M-1

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
 STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)  
 LAST TWO FISCAL YEARS\*

	2019	2018
<b>Total OPEB Liability Associated with the School District</b>		
Service Cost	\$ 2,063,213	\$ 2,478,437
Interest Cost	2,125,872	1,828,460
Differences between Expected and Actual Experiences	(6,092,832)	-
Changes of Assumptions	(5,638,656)	(7,386,667)
Contributions: Member	45,410	49,423
Gross Benefit Payments	(1,313,892)	(1,342,184)
Net Change in Total OPEB Liability	(8,810,885)	(4,372,531)
Total OPEB Liability (Beginning)	57,947,357	62,319,888
Total OPEB Liability (Ending)	<u>\$ 49,136,472</u>	<u>\$ 57,947,357</u>
District's Covered Employee Payroll	\$ 11,681,483	\$ 11,995,967
District's Net OPEB Liability as a Percentage of Payroll	421%	483%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
YEAR ENDED JUNE 30, 2019**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 4.25% as of June 30, 2017, to 4.86% as of June 30, 2018.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.00% as of June 30, 2017, to 5.66% as of June 30, 2018.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018.

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**OTHER SUPPLEMENTARY INFORMATION**

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E. Special Revenue Fund

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>TITLE I</u>	<u>TITLE II - PART A</u>	<u>TITLE III - IMMIGRANT</u>	<u>I.D.E.A. PART B BASIC</u>	<u>I.D.E.A PART B PRESCHOOL</u>	<u>TOTAL</u>
Revenues:						
Federal Sources	\$ 158,539	\$ 37,165	\$ 1,545	\$ 329,743	\$ 29,095	\$ 556,087
Total Revenues	<u>\$ 158,539</u>	<u>\$ 37,165</u>	<u>\$ 1,545</u>	<u>\$ 329,743</u>	<u>\$ 29,095</u>	<u>\$ 556,087</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 111,783	\$ -	\$ -	\$ 19,240	\$ -	\$ 131,023
Professional Educational Services	4,550	-	-	-	-	4,550
Tuition	-	-	-	309,031	29,095	338,126
Supplies	-	-	-	-	-	-
Total Instruction	<u>116,333</u>	<u>-</u>	<u>-</u>	<u>328,271</u>	<u>29,095</u>	<u>473,699</u>
Support Services:						
Salaries	3,127	-	742	-	-	3,869
Employee Benefits	29,807	-	57	1,472	-	31,336
Other Purchased Professional Services	-	34,272	-	-	-	34,272
Other Purchased Services	4,687	650	-	-	-	5,337
Supplies	4,585	2,243	746	-	-	7,574
Total Support Services	<u>42,206</u>	<u>37,165</u>	<u>1,545</u>	<u>1,472</u>	<u>-</u>	<u>82,388</u>
Total Expenditures	<u>\$ 158,539</u>	<u>\$ 37,165</u>	<u>\$ 1,545</u>	<u>\$ 329,743</u>	<u>\$ 29,095</u>	<u>\$ 556,087</u>

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F. Capital Projects Fund

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		TRANSFER TO DEBT SERVICE FUND	CANCELLED GRANT RECEIVABLE	UNEXPENDED BALANCE JUNE 30, 2019
			PRIOR YEARS	CURRENT YEAR			
To undertake the acquisition & installation of solar energy panels at the Ashbrook Elementary School, Florence L. Walther Elementary School, Lumberton Middle School and Bobby's Run Elementary School as well as related work for acquisition and installation of the panels.	8/4/2011	\$ 7,000,000	\$ 6,136,847	\$ -	\$ 788,942	\$ -	\$ 74,211
<b>2019 Bond Referendum Projects</b>							
Asbrook Elementary School Various Improvements		1,052,147	-	80,145	-	-	972,002
Bobby's Run Elementary School Various Improvements		652,552	-	321,021	-	-	331,531
Florence L. Walther Elementary School Various Improvements		746,737	-	162,137	-	-	584,600
Lumberton Middle School Various Improvements		2,429,564	-	710,989	-	-	1,718,575
<b>Total</b>		<b>\$ 11,881,000</b>	<b>\$ 6,136,847</b>	<b>\$ 1,274,292</b>	<b>\$ 788,942</b>	<b>\$ -</b>	<b>\$ 3,680,919</b>

Less: Bonds Authorized not Issued

(4,881,000)

**Fund Balance Per B-1**

**\$ (1,200,081)**

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	\$ 175,575
Construction Services	1,098,717
Transfer to Debt Service	<u>65,000</u>
Total Expenditures & Other Financing Uses	<u>1,339,292</u>
Excess/(Deficiency) of Revenues & Other Financing Sources	
Over/(Under) Expenditures & Other Financing Uses	(1,339,292)
Fund Balances, July 1	<u>139,211</u>
Fund Balances, June 30	<u><u>\$ (1,200,081)</u></u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
LUMBERTON - SOLAR PROJECT  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 7,000,000	\$ -	\$ 7,000,000	\$ 7,000,000
Total Revenues	7,000,000	-	7,000,000	7,000,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	508,146	-	508,146	508,146
Construction Services	5,624,284	-	5,624,284	6,487,437
Other Objects	4,417	-	4,417	4,417
Total Expenditures	6,136,847	-	6,136,847	7,000,000
Transfer to Debt Service Fund	723,942	65,000	788,942	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 139,211	\$ (65,000)	\$ 74,211	\$ -
Additional Project Information:				
DOE Project Number				N/A
SDA Project Number				N/A
Grant Number				N/A
Grant Date				N/A
Bond Authorization Date				8/4/2010
Bonds Authorization				7,000,000
Bonds Issued				7,000,000
Original Authorized Cost				7,000,000
Additional Authorized Cost				-
Revised Authorized Cost				7,000,000
Percentage Increase Over Original Authorized Cost				0.00%
Percentage Completion				100.00%
Original Target Completion Date				N/A
Revised Target Completion Date				N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
ASHBROOK ELEMENTARY SCHOOL  
VARIOUS CAPITAL IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenues &amp; Other Financing Sources:</b>				
Bond Proceeds	\$ -	\$ -	\$ -	\$ 1,052,147
Total Revenues	-	-	-	1,052,147
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	-	40,401	40,401	129,883
Construction Services	-	39,744	39,744	822,794
Supplies	-	-	-	734
Other Objects	-	-	-	98,736
Total Expenditures & Other Financing Uses	-	80,145	80,145	1,052,147
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ (80,145)	\$ (80,145)	\$ -
<b>Additional Project Information:</b>				
Bond Authorization Date				6/29/2019
Bonds Authorization				1,052,147
Bonds Issued				1,052,147
Original Authorized Cost				1,052,147
Additional Authorized Cost				-
Revised Authorized Cost				1,052,147
Percentage Increase Over Original Authorized Cost				0%
Percentage Completion				8%
Original Target Completion Date				2020-2021
Revised Target Completion Date				N/A



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
BOBBY'S RUN ELEMENTARY SCHOOL  
VARIOUS CAPITAL IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds		\$ -	\$ -	\$ 652,552
Total Revenues	-	-	-	652,552
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	20,216	20,216	69,424
Construction Services	-	300,805	300,805	520,050
Supplies	-	-	-	672
Other Objects	-	-	-	62,406
Total Expenditures & Other Financing Uses	-	321,021	321,021	652,552
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ (321,021)	\$ (321,021)	\$ -
Additional Project Information:				
Bond Authorization Date				6/29/2019
Bonds Authorization				652,552
Bonds Issued				652,552
Original Authorized Cost				652,552
Additional Authorized Cost				-
Revised Authorized Cost				652,552
Percentage Increase Over Original Authorized Cost				0%
Percentage Completion				49%
Original Target Completion Date				2020-2021
Revised Target Completion Date				N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
FLORENCE L. WALTHER ELEMENTARY SCHOOL  
VARIOUS CAPITAL IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenues &amp; Other Financing Sources:</b>				
Bond Proceeds	\$ -	\$ -	\$ -	\$ 746,737
Total Revenues	-	-	-	746,737
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	-	67,665	67,665	103,658
Construction Services	-	94,472	94,472	568,469
Supplies	-	-	-	672
Other Objects	-	-	-	73,938
Total Expenditures & Other Financing Uses	-	162,137	162,137	746,737
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ (162,137)	\$ (162,137)	\$ -
<b>Additional Project Information:</b>				
Bond Authorization Date				6/29/2019
Bonds Authorization				746,737
Bonds Issued				746,737
Original Authorized Cost				746,737
Additional Authorized Cost				-
Revised Authorized Cost				746,737
Percentage Increase Over Original Authorized Cost				0%
Percentage Completion				22%
Original Target Completion Date				2020-2021
Revised Target Completion Date				N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
LUMBERTON MIDDLE SCHOOL  
VARIOUS CAPITAL IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds	\$ -	\$ -	\$ -	\$ 2,429,564
Total Revenues	-	-	-	2,429,564
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	47,293	47,293	210,330
Construction Services	-	663,696	663,696	1,966,809
Supplies	-	-	-	672
Other Objects	-	-	-	251,753
Total Expenditures & Other Financing Uses	-	710,989	710,989	2,429,564
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ (710,989)	\$ (710,989)	\$ -

Additional Project Information:	
Bond Authorization Date	6/29/2019
Bonds Authorization	N/A
Bonds Issued	2,429,564
Original Authorized Cost	2,429,564
Additional Authorized Cost	-
Revised Authorized Cost	2,429,564
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	29%
Original Target Completion Date	2020-2021
Revised Target Completion Date	N/A

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## G. Proprietary Funds

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING SCHEDULE OF NET POSITION  
 AS OF JUNE 30, 2019**

ASSETS	EXTENDED DAY <u>CARE</u>	FOOD SERVICE <u>FUND</u>	<u>TOTAL</u>
Current Assets:			
Cash & Cash Equivalents	\$ 354,595	\$ 166,299	\$ 520,894
Accounts Receivable:			
State	-	400	400
Federal	-	14,765	14,765
Inventories	-	5,454	5,454
	<hr/>		
Total Current Assets	354,595	186,918	541,513
Noncurrent Assets:			
Equipment	269,039	619,341	888,380
Less: Accumulated Depreciation	(179,682)	(513,357)	(693,039)
	<hr/>		
Total Noncurrent Assets	89,357	105,984	195,341
	<hr/>		
Total Assets	443,952	292,902	736,854
<hr/>			
LIABILITIES			
Current Liabilities:			
Interfund Payable	-	7,199	7,199
	<hr/>		
Total Current Liabilities	-	7,199	7,199
<hr/>			
NET POSITION			
Investment in Capital Assets	89,357	105,984	195,341
Unrestricted	354,595	179,719	534,314
	<hr/>		
Total Net Position	\$ 443,952	\$ 285,703	\$ 729,655
	<hr/> <hr/>		

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 AS OF JUNE 30, 2019**

	<u>EXTENDED DAY CARE</u>	<u>FOOD SERVICE FUND</u>	<u>TOTAL</u>
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 196,706	\$ 196,706
Daily Sales - Nonreimbursable Programs	-	87,030	87,030
Special Functions	-	8,309	8,309
Enrollment Fees	362,264	-	362,264
Miscellaneous	-	40	40
	<hr/>		
Total Operating Revenue	362,264	292,085	654,349
<hr/>			
Operating Expenses:			
Salaries	296,540	184,961	481,501
Payroll Taxes & Benefits	34,965	37,544	72,509
Supplies and Materials	8,080	15,611	23,691
Management Fee	-	63,600	63,600
Depreciation	11,400	16,701	28,101
Miscellaneous	11,147	29,414	40,561
Cost of Sales - Reimbursable	-	127,765	127,765
Cost of Sales - Non Reimbursable	-	56,528	56,528
	<hr/>		
Total Operating Expenses	362,132	532,124	894,256
<hr/>			
Operating Income/(Loss)	132	(240,039)	(239,907)
<hr/>			
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	5,217	5,217
Federal Sources:			
National School Lunch Program	-	145,940	145,940
National School Breakfast Program	-	38,357	38,357
Special Milk Program	-	378	378
Healthy Hunger-Free Kids Act	-	6,025	6,025
Food Distribution Program	-	38,592	38,592
Interest Revenue	1,355	198	1,553
	<hr/>		
Total Nonoperating Revenues/(Expenses)	1,355	234,707	236,062
<hr/>			
Change in Net Position	1,487	(5,332)	(3,845)
Total Net Position - Beginning (Restated)	442,465	291,035	733,500
	<hr/>		
Total Net Position - Ending	\$ 443,952	\$ 285,703	\$ 729,655
	<hr/> <hr/>		



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING SCHEDULE OF CASH FLOWS  
 AS OF JUNE 30, 2019**

	EXTENDED DAY <u>CARE</u>	FOOD SERVICE <u>FUND</u>	<u>TOTAL</u>
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 362,264	\$ 292,085	\$ 654,349
Payments to Employees	(296,540)	(184,961)	(481,501)
Payment to Employee Benefits	(34,965)	(37,544)	(72,509)
Payments to Suppliers	(19,227)	(294,453)	(313,680)
Net Cash Provided/(Used) by Operating Activities	<u>11,532</u>	<u>(224,873)</u>	<u>(213,341)</u>
Cash Flows From Noncapital Financing			
State Sources	-	5,260	5,260
Federal Sources	-	230,250	230,250
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>235,510</u>	<u>235,510</u>
Cash Flows From Investing Activities:			
Purchase of Capital Assets	-	(5,040)	(5,040)
Interest on Investments	1,355	198	1,553
Net Cash Provided by Investing Activities	<u>1,355</u>	<u>(4,842)</u>	<u>(3,487)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	12,887	5,795	18,682
Cash and Cash Equivalents, July 1	<u>341,708</u>	<u>160,504</u>	<u>502,212</u>
Cash and Cash Equivalents, June 30	<u>\$ 354,595</u>	<u>\$ 166,299</u>	<u>\$ 520,894</u>

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

Operating Income/(Loss)	\$ 132	\$ (240,039)	\$ (239,907)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	11,400	16,701	28,101
(Increase)/Decrease in Inventory	-	(534)	(534)
(Decrease)/Increase in Interfund	-	(1,001)	(1,001)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 11,532</u>	<u>\$ (224,873)</u>	<u>\$ (213,341)</u>

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## H. Fiduciary Fund

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019**

ASSETS	<u>PRIVATE PURPOSE TRUST FUNDS</u>		<u>AGENCY FUNDS</u>		<u>TOTAL</u>
	<u>UNEMPLOYMENT</u>	<u>SCHOLARSHIP</u>	<u>PAYROLL</u>	<u>STUDENT</u>	
	<u>COMPENSATION</u>	<u>TRUST</u>		<u>ACTIVITY</u>	
	<u>TRUST</u>	<u>TRUST</u>			
Cash & Cash Equivalents	\$ 65,144	\$ 3,233	\$ 12,531	\$ 65,031	\$ 145,939
Total Assets	65,144	3,233	12,531	65,031	145,939
LIABILITIES					
Payroll Deductions & Withholdings	-	-	12,531	-	12,531
Due to Student Groups	-	-	-	65,031	65,031
Total Liabilities	-	-	12,531	65,031	77,562
NET POSITION					
Held in Trust For:					
Unemployment Claims	65,144	-	-	-	65,144
Scholarships	-	3,233	-	-	3,233
Total Net Position	\$ 65,144	\$ 3,233	\$ -	\$ -	\$ 68,377

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>PRIVATE PURPOSE TRUST FUNDS</u>		
	<u>UNEMPLOYMENT</u>		
	<u>COMPENSATION</u>	<u>SCHOLARSHIP</u>	<u>TOTAL</u>
	<u>TRUST</u>	<u>TRUST</u>	
<b>ADDITIONS:</b>			
<b>Contributions:</b>			
Payroll Deductions	\$ 21,591		\$ 21,591
Scholarship Donations	-	1,000	1,000
Miscellaneous	-	65	65
<b>Investment Earnings:</b>			
Interest	189	1	190
<b>Total Additions</b>	<b>21,780</b>	<b>1,066</b>	<b>22,846</b>
<b>DEDUCTIONS:</b>			
Unemployment Claims	43,230	-	43,230
<b>Total Deductions</b>	<b>43,230</b>	<b>-</b>	<b>43,230</b>
Change in Net Position	(21,450)	1,066	(20,384)
Net Position - Beginning of Year	86,594	2,167	88,761
<b>Net Position - End of Year</b>	<b>\$ 65,144</b>	<b>\$ 3,233</b>	<b>\$ 68,377</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	BALANCE JULY 1, <u>2018</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2019</u>
Cash & Cash Equivalents	\$ 47,001	\$ 100,052	\$ 82,022	\$ 65,031
Total All Schools	<u>\$ 47,001</u>	<u>\$ 100,052</u>	<u>\$ 82,022</u>	<u>\$ 65,031</u>

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

ASSETS	BALANCE JULY 1, <u>2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE JUNE 30, <u>2019</u>
Cash & Cash Equivalents	\$ 14,526	\$ 14,408,156	\$ 14,410,151	\$ 12,531
Total Assets	<u>\$ 14,526</u>	<u>\$ 14,408,156</u>	<u>\$ 14,410,151</u>	<u>\$ 12,531</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 6,826	\$ 6,104,654	\$ 6,106,649	\$ 4,831
Flexible Spending	6,267	28,036	28,036	6,267
Net Payroll	1,433	8,275,466	8,275,466	1,433
Total Liabilities	<u>\$ 14,526</u>	<u>\$ 14,408,156</u>	<u>\$ 14,410,151</u>	<u>\$ 12,531</u>

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## I. Long-Term Debt

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2019**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	AMOUNT OF <u>ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2018</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2019</u>
			<u>DATE</u>	<u>AMOUNT</u>					
2010 School Bonds	8-4-2010	\$ 7,000,000	2-15-20	475,000	2.750%	\$ 4,140,000	\$ -	\$ 460,000	\$ 3,680,000
			2-15-21	490,000	3.000%				
			2-15-22	505,000	3.000%				
			2-15-23	525,000	3.000%				
			2-15-24	540,000	3.250%				
			2-15-25	560,000	3.250%				
			2-15-26	585,000	3.375%				
2015 Refunding School Bonds	4-1-2015	4,205,000	2-15-20	890,000	3.000%	1,750,000	-	860,000	890,000
Total						\$ 5,890,000	\$ -	\$ 1,320,000	\$ 4,570,000

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 837,556	\$ -	\$ 837,556	\$ 837,556	\$ -
State Sources:					
Debt Service Aid Type II	545,600	-	545,600	545,600	-
Total Revenues	1,383,156	-	1,383,156	1,383,156	-
Expenditures					
Regular Debt Service:					
Interest	178,157	-	178,157	178,156	1
Redemption of Principal	1,320,000	-	1,320,000	1,320,000	-
Total Expenditures	1,498,157	-	1,498,157	1,498,156	1
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources(Uses)	(115,001)	-	(115,001)	(115,000)	1
Other Financing Sources/(Uses):					
Operating Transfers In/(Out):	65,000	-	65,000	65,000	-
Total Other Financing Uses	65,000	-	65,000	65,000	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources/(Uses)	(50,001)	-	(50,001)	(50,000)	1
Fund Balance, July 1	50,002		50,002	50,002	-
Fund Balance, June 30	\$ 1	\$ -	\$ 1	\$ 2	\$ 1

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**STATISTICAL SECTION (Unaudited)**

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### Financial Trends Information

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



**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
FISCAL YEAR ENDING JUNE 30,										
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 14,893,680	\$ 13,793,008	\$ 13,799,757	\$ 12,844,641	\$ 12,176,611	\$ 12,792,421	\$ 11,723,958	\$ 9,319,583	\$ 6,908,701	\$ 7,564,837
Restricted	5,156,200	4,827,892	4,121,635	3,778,568	3,931,337	5,150,127	5,824,338	5,248,039	3,028,173	2,915,301
Unrestricted	(7,677,823)	(8,464,479)	(7,916,034)	(6,686,383)	(6,847,035)	(452,093)	(1,270,091)	(547,061)	1,077,225	(878,515)
<b>Total Governmental Activities</b>	<b>\$ 12,372,057</b>	<b>\$ 10,156,421</b>	<b>\$ 10,005,358</b>	<b>\$ 9,936,826</b>	<b>\$ 9,260,913</b>	<b>\$ 17,490,455</b>	<b>\$ 16,278,205</b>	<b>\$ 14,020,561</b>	<b>\$ 11,014,099</b>	<b>\$ 9,601,623</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 195,341	\$ 186,124	\$ 112,156	\$ 123,556	\$ 79,232	\$ 195,414	\$ 202,891	\$ -	\$ 4,000	\$ 8,723
Unrestricted	534,314	515,098	834,967	730,081	733,691	656,660	547,231	665,217	619,486	591,816
<b>Total Business-Type Activities</b>	<b>\$ 729,655</b>	<b>\$ 701,222</b>	<b>\$ 947,123</b>	<b>\$ 853,637</b>	<b>\$ 832,923</b>	<b>\$ 852,074</b>	<b>\$ 750,122</b>	<b>\$ 665,217</b>	<b>\$ 623,486</b>	<b>\$ 600,539</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 15,089,021	\$ 13,979,132	\$ 13,911,913	\$ 12,968,197	\$ 12,255,843	\$ 12,987,835	\$ 11,926,849	\$ 9,319,583	\$ 6,912,701	\$ 7,573,560
Restricted	5,156,200	4,827,892	4,121,635	3,778,568	3,931,337	5,150,127	5,824,338	5,248,039	3,028,173	2,915,301
Unrestricted	(7,143,509)	(7,949,381)	(7,081,067)	(5,956,302)	(6,093,344)	204,567	(722,860)	118,156	1,696,711	(286,699)
<b>Total District Net Position</b>	<b>\$ 13,101,712</b>	<b>\$ 10,857,643</b>	<b>\$ 10,952,481</b>	<b>\$ 10,790,463</b>	<b>\$ 10,093,836</b>	<b>\$ 18,342,529</b>	<b>\$ 17,028,327</b>	<b>\$ 14,685,778</b>	<b>\$ 11,637,585</b>	<b>\$ 10,202,162</b>

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
 LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental Activities										
Instruction:										
Regular	5,780,706	6,117,102	6,146,521	6,162,092	6,051,836	6,056,478	5,858,548	5,337,156	5,511,184	5,856,255
Special Education	2,817,511	2,833,627	3,004,548	3,157,159	3,221,113	3,142,819	3,101,092	2,925,821	2,970,403	3,030,581
Other Special Instruction	478,450	479,154	476,231	436,729	430,509	417,255	415,989	365,872	333,295	404,705
Other Instruction	107,447	101,545	105,862	110,522	104,256	104,264	89,957	87,157	74,268	121,527
Support Services & Undistributed Costs:										
Tuition	1,050,953	1,114,772	858,921	729,211	541,483	667,811	469,536	551,302	498,833	550,545
Health Services	261,821	254,277	247,904	249,208	247,986	252,321	237,883	226,704	189,020	249,763
Student & Instruction Related Services	2,051,330	2,225,081	1,989,227	1,810,057	1,851,245	1,737,838	1,693,204	1,548,778	1,473,423	1,631,718
Educational Media Services/School Library	268,562	249,332	301,528	239,574	280,741	227,599	228,077	197,283	203,554	263,063
School Administrative Services	636,360	728,300	704,436	898,050	967,348	975,756	912,921	926,003	888,345	897,360
Other Administrative Services	1,313,355	1,254,580	1,217,127	1,201,506	1,140,016	1,232,478	1,143,910	1,077,637	995,151	1,230,613
Plant Operations & Maintenance	2,343,913	1,909,748	1,961,728	2,147,694	1,896,008	1,806,854	1,617,858	1,843,832	2,067,268	2,121,507
Pupil Transportation	863,521	1,047,922	968,116	1,013,986	1,020,021	891,983	894,954	874,561	813,623	881,514
Employee Benefits	10,383,447	13,460,961	7,665,974	9,455,693	8,082,560	5,564,069	5,608,421	5,069,778	4,782,545	4,625,828
Transfers to Charter Schools					36,314	36,200	25,116	8,304	-	-
Interest & Other Charges	177,994	214,670	250,266	285,699	472,209	472,077	545,156	623,908	706,341	587,058
Reduction of Capital Leases	-	-	-	-	73,990	-	-	-	-	-
Amortization of Debt Costs	-	-	-	-	-	13,348	34,567	34,567	34,567	20,834
Increase in Compensated Absences -										
Unallocated	-	-	-	-	-	37,091	162,915	-	190,779	(291,299)
Reduction in Fixed Assets	-	-	-	-	2,905,087	167,641	(41,788)	-	(332,956)	-
Unallocated	-	-	-	-	1,317,145	1,020,858	1,007,469	1,000,626	1,859,382	766,064
Unallocated Depreciation	1,296,964	1,293,441	1,319,105	1,320,464						
Total Governmental Activities Expenses	29,832,334	33,284,512	27,217,494	29,217,644	30,639,867	24,824,740	24,005,785	22,699,289	23,259,025	22,947,636
Business-Type Activities:										
Food Service	532,124	575,076	479,717	484,972	502,815	477,165	489,951	564,696	551,004	544,820
Extended Day Care	362,132	695,479	426,504	414,856	425,550	406,180	441,588	413,671	442,940	495,785
Total Business-Type Activities Expense	894,256	1,270,555	906,221	899,828	928,365	883,345	931,539	978,367	993,944	1,040,605
Total District Expenses	\$ 30,726,590	\$ 34,555,067	\$ 28,123,715	\$ 30,117,472	\$ 31,568,232	\$ 25,708,085	\$ 24,937,324	\$ 23,677,656	\$ 24,252,969	\$ 23,988,241

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 7,025,671	\$ 9,622,852	\$ 3,413,890	\$ 5,962,745	\$ 4,948,577	\$ 626,525	\$ 583,190	\$ 600,087	\$ 734,567	\$ 650,800
Total Governmental Activities	7,025,671	9,622,852	3,413,890	5,962,745	4,948,577	626,525	583,190	600,087	734,567	650,800
Business-Type Activities:										
Charges for Services:										
Food Service	292,085	311,955	315,611	299,214	305,520	326,640	332,655	399,890	412,885	417,580
Extended Day Care	362,264	406,451	453,901	409,110	479,302	478,293	477,286	451,586	440,920	479,676
Operating Grants & Contributions	234,509	224,615	229,420	212,198	231,296	180,041	170,902	166,185	159,133	146,738
Adjustment to Fixed Assets	-	80,015	-	-	(107,501)	-	35,093	-	-	-
Total Business Type Activities	888,858	1,023,036	998,932	920,522	908,617	984,974	984,974	980,843	1,017,661	1,012,938
Total District Program Revenues	\$ 7,914,529	\$ 10,645,888	\$ 4,412,822	\$ 6,883,267	\$ 5,857,194	\$ 1,611,499	\$ 1,568,164	\$ 1,580,930	\$ 1,752,228	\$ 1,663,738
Net/(Expense)/Revenue:										
Governmental Activities	\$ (22,806,663)	\$ (23,661,660)	\$ (23,803,604)	\$ (23,254,899)	\$ (25,691,290)	\$ (24,198,215)	\$ (23,422,595)	\$ (22,099,202)	\$ (22,524,458)	\$ (22,296,836)
Business-Type Activities	(5,398)	(247,519)	92,711	20,694	(19,748)	101,629	53,435	2,476	23,717	(27,667)
Total District-Wide Net Expense	\$ (22,812,061)	\$ (23,909,179)	\$ (23,710,893)	\$ (23,234,205)	\$ (25,711,038)	\$ (24,096,586)	\$ (23,369,160)	\$ (22,096,726)	\$ (22,500,741)	\$ (22,324,503)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,075,765	\$ 13,799,770	\$ 13,305,006	\$ 12,856,287	\$ 12,338,726	\$ 12,096,791	\$ 11,926,593	\$ 11,692,738	\$ 11,692,738	\$ 11,663,728
Taxes Levied for Debt Service	837,556	887,854	904,126	1,310,472	1,488,731	2,043,080	2,018,353	2,018,353	2,018,353	1,839,260
Unrestricted/Restricted Grants & Contributions	8,807,420	8,928,049	8,889,736	8,996,152	9,226,856	10,986,413	11,613,041	11,220,435	10,125,014	9,817,447
Tuition Received	246,033	116,969	141,816	94,030	113,187	80,659	27,045	27,449	10,408	7,039
Investment Earnings	-	-	-	-	-	-	-	27,328	60,793	29,984
Miscellaneous Income	474,124	279,787	515,270	616,257	429,572	289,231	95,207	111,760	29,628	39,772
Unallocated Amortization	-	-	-	-	45,243	-	-	-	-	-
Reduction in Compensated Absences	-	-	-	57,614	81,182	-	-	7,601	-	-
Special Items	-	(199,706)	116,182	-	-	-	-	-	-	-
Total Governmental Activities	24,440,898	23,812,723	23,872,136	23,930,812	23,723,497	25,496,174	25,680,239	25,105,664	23,936,934	23,397,230
Business-Type Activities:										
Investment Earnings	1,553	1,618	775	20	597	323	508	2,437	3,953	1,810
Total Business-Type Activities	1,553	1,618	775	20	597	323	508	2,437	3,953	1,810
Total District-Wide	\$ 24,442,451	\$ 23,814,341	\$ 23,872,911	\$ 23,930,832	\$ 23,724,094	\$ 25,496,497	\$ 25,680,747	\$ 25,108,101	\$ 23,940,887	\$ 23,399,040
Change in Net Position:										
Governmental Activities	\$ 1,634,235	\$ 151,063	\$ 68,532	\$ 675,913	\$ (1,967,793)	\$ 1,297,959	\$ 2,257,644	\$ 3,006,462	\$ 1,412,476	\$ 1,100,394
Business-Type Activities	(3,845)	(245,901)	93,486	20,714	(19,151)	101,952	53,943	4,913	27,670	(25,857)
Total District	\$ 1,630,390	\$ (94,838)	\$ 162,018	\$ 696,627	\$ (1,986,944)	\$ 1,399,911	\$ 2,311,587	\$ 3,011,375	\$ 1,440,146	\$ 1,074,537

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund:</b>										
Restricted	\$ 6,356,279	\$ 4,703,679	\$ 3,931,877	\$ 3,468,439	\$ 3,251,557	\$ 4,689,059	\$ 4,941,044	\$ 3,890,627	\$ 1,933,662	\$ 2,355,443
Committed	634,957	481,168	918,454	472,999	370,526	-	49,999	-	-	-
Assigned	(284,133)	(191,873)	(261,230)			(225,561)	(362,047)	418,021	1,378,353	108,301
<b>Total General Fund</b>	<b>\$ 6,707,103</b>	<b>\$ 4,992,974</b>	<b>\$ 4,589,101</b>	<b>\$ 3,941,438</b>	<b>\$ 3,622,083</b>	<b>\$ 4,463,498</b>	<b>\$ 3,312,014</b>	<b>\$ 2,463,744</b>	<b>\$ 3,388,231</b>	<b>\$ 3,079,826</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	390,786	383,237	-	-	-
<b>Restricted, Reported in:</b>										
Special Revenue Fund	(1,200,081)	139,211	204,211	-	772,605	210,888	450,057	1,133,906	1,580,950	-
Capital Projects Fund	2	50,002	50,547	50,547	1	2	1	-	52,825	52,827
Debt Service Fund										
<b>Total All Other Governmental Funds</b>	<b>\$ (1,200,079)</b>	<b>\$ 189,213</b>	<b>\$ 254,758</b>	<b>\$ 403,741</b>	<b>\$ 772,606</b>	<b>\$ 601,676</b>	<b>\$ 833,295</b>	<b>\$ 1,133,906</b>	<b>\$ 1,633,775</b>	<b>\$ 52,827</b>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues:</b>										
Local Tax Levy	\$ 14,913,321	\$ 14,687,624	\$ 14,209,132	\$ 14,166,759	\$ 13,827,457	\$ 14,139,871	\$ 13,944,946	\$ 13,711,091	\$ 13,711,091	\$ 13,502,988
Tuition	246,033	116,969	141,816	94,030	113,187	80,659	27,045	27,449	10,408	7,039
Interest	-	-	-	-	-	-	-	26,443	56,634	28,332
Interest on Capital Reserve	-	-	-	-	-	-	-	885	4,159	1,652
Miscellaneous	474,124	279,787	515,270	616,257	429,572	289,231	95,207	111,760	29,628	39,772
State Sources	12,281,216	12,030,179	11,694,344	11,456,100	11,229,830	10,966,009	11,591,240	10,882,973	10,097,373	8,510,467
Federal Sources	604,841	611,325	609,282	686,738	630,619	646,929	604,991	937,549	762,208	1,957,780
<b>Total Revenue</b>	<b>28,519,535</b>	<b>27,725,884</b>	<b>27,169,844</b>	<b>27,019,884</b>	<b>26,230,665</b>	<b>26,122,699</b>	<b>26,263,429</b>	<b>25,698,150</b>	<b>24,671,501</b>	<b>24,048,030</b>
<b>Expenditures:</b>										
Instruction	9,184,114	9,531,428	9,733,162	9,866,502	9,807,714	9,720,816	9,465,586	8,716,006	8,889,150	9,413,068
Undistributed Instruction	16,171,607	16,140,376	15,175,449	14,657,652	13,740,688	13,356,709	12,806,764	12,315,878	11,911,762	12,451,911
Capital Outlay	1,295,032	134,388	186,770	533,693	1,258,052	621,910	375,845	860,597	5,491,925	183,308
Debt Service	1,543,945	1,581,364	1,575,783	2,011,547	2,052,744	2,959,181	3,570,381	3,550,588	2,949,446	2,899,792
<b>Total Expenditures</b>	<b>28,194,698</b>	<b>27,387,556</b>	<b>26,671,164</b>	<b>27,069,394</b>	<b>26,859,198</b>	<b>26,658,616</b>	<b>26,218,576</b>	<b>25,443,069</b>	<b>29,242,283</b>	<b>24,948,079</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>324,837</b>	<b>338,328</b>	<b>498,680</b>	<b>(49,510)</b>	<b>(628,533)</b>	<b>(535,917)</b>	<b>44,853</b>	<b>255,081</b>	<b>(4,570,782)</b>	<b>(900,049)</b>
<b>Other Financing Sources/(Uses):</b>										
Proceeds from Borrowing	-	-	-	-	-	-	-	-	7,000,000	-
Cancellation of Grant Receivable	-	-	-	-	(5,638)	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	175,000	175,000	-	249,988	-	-
Transfers to Charter Schools	-	-	-	-	(36,314)	(36,200)	(25,116)	(8,304)	-	-
Transfers in	65,000	65,000	65,000	185,992	-	-	407,950	349,750	-	-
Transfers Out	(65,000)	(65,000)	(65,000)	(185,992)	-	-	(407,950)	(349,750)	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,952)</b>	<b>138,800</b>	<b>(25,116)</b>	<b>241,684</b>	<b>7,000,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 324,837</b>	<b>\$ 338,328</b>	<b>\$ 498,680</b>	<b>\$ (49,510)</b>	<b>\$ (670,485)</b>	<b>\$ (397,117)</b>	<b>\$ 19,737</b>	<b>\$ 496,765</b>	<b>\$ 2,429,218</b>	<b>\$ (900,049)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.5%</b>	<b>5.8%</b>	<b>5.9%</b>	<b>7.4%</b>	<b>7.6%</b>	<b>11.1%</b>	<b>13.6%</b>	<b>14.0%</b>	<b>10.1%</b>	<b>11.6%</b>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>INTEREST ON INVESTMENTS</u>	<u>MISCELLANEOUS</u>	<u>TUITION</u>	<u>TOTAL</u>
2019	\$ 40,880	\$ 433,244	\$ 246,033	\$ 720,157
2018	4,694	275,093	116,969	396,756
2017	7,097	508,173	141,816	657,086
2016	4,701	611,556	94,030	710,287
2015	6,421	423,151	113,187	542,759
2014	7,907	268,305	80,659	356,871
2013	7,907	73,648	27,045	108,600
2012	27,328	111,760	27,449	166,537
2011	60,793	29,628	10,408	100,829
2010	29,984	39,772	7,039	76,795

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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2019	\$12,351,900	\$ 1,115,666,300	\$ 19,978,000	\$ 1,880,340	\$ 131,763,500	\$ 64,227,623	\$ 29,091,200	\$ 1,374,958,863	\$ 1,903,184	\$ 1,376,862,047	1.581	\$ 1,378,869,924
2018	12,629,500	1,114,412,500	20,737,800	1,886,440	132,281,700	65,927,600	29,091,200	1,376,966,740	1,903,184	1,378,869,924	1.545	1,378,869,924
2017	12,824,500	1,119,987,200	19,457,100	1,886,140	132,703,400	65,927,623	29,091,200	1,381,877,163	1,883,508	1,383,760,671	1.491	1,359,561,595
2016	13,099,100	1,126,496,400	19,155,300	1,898,170	132,408,200	66,027,623	29,091,200	1,388,175,993	1,903,008	1,390,079,001	1.442	1,325,005,976
2015	9,972,300	1,130,249,300	19,771,000	1,983,400	132,675,900	65,632,623	29,091,200	1,389,375,723	1,997,273	1,391,372,996	1.417	1,396,504,323
2018	10,798,700	1,153,722,800	20,915,900	1,948,180	134,718,400	64,115,823	29,352,400	1,389,375,723	1,945,138	1,387,430,585	1.389	1,420,703,445
2013	10,631,900	1,168,180,400	20,715,800	2,446,300	134,628,400	63,115,823	29,352,400	1,415,572,203	1,838,276	1,413,733,927	1.364	1,539,364,038
2012	11,087,100	1,180,483,600	20,403,100	2,002,800	132,617,800	63,115,823	28,954,400	1,429,071,023	2,001,088	1,427,069,935	1.309	1,445,922,334
2011	11,698,400	1,187,781,700	20,484,200	1,902,800	131,564,300	64,304,600	28,954,400	1,438,664,623	2,285,933	1,436,378,690	1.301	1,523,480,241
2010	11,597,000	1,190,946,000	20,915,300	1,923,700	127,543,600	64,941,400	28,954,400	1,446,690,400	2,245,784	1,444,444,616	1.251	1,566,514,606

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



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

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE	
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	LUMBERTON TOWNSHIP	MUNICIPAL OPEN SPACE		BURLINGTON COUNTY
2019	1.113	0.468	1.581	0.400	0.010	0.399	2.390
2018	1.082	0.463	1.545	0.405	0.010	0.389	2.349
2017	1.061	0.430	1.491	0.411	0.010	0.398	2.310
2016	1.023	0.419	1.442	0.421	0.010	0.387	2.260
2015	1.019	0.398	1.417	0.416	0.010	0.400	2.243
2014	0.997	0.392	1.389	0.365	0.010	0.378	2.142
2013	0.974	0.390	1.364	0.348	0.010	0.406	2.128
2012	0.951	0.358	1.309	0.331	0.010	0.381	2.031
2011	0.947	0.354	1.301	0.314	0.009	0.400	2.024
2010	0.932	0.319	1.251	0.298	0.009	0.411	1.969

Source: Municipal Tax Collector

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2019		
	TAXABLE ASSESSED <u>VALUE</u>	RANK <u>(OPTIONAL)</u>	% OF TOTAL DISTRICT NET ASSESSED <u>VALUE</u>
	CVS New York	\$ 31,950,000	1
The Estaugh	29,812,800	2	2.17%
Whitehall Apartments Association	12,900,000	3	0.94%
BF Saul Holdings LTD Partnership	12,000,000	4	0.87%
Newman Development Group of Hainesport	10,354,400	5	0.75%
Wal-Mart	10,116,600	6	0.74%
Mt. Holly By-Pass LLC	8,814,600	7	0.64%
East Coast Lumberton Apartments, LLC	8,400,000	8	0.61%
Evergreen I Associates, LLC	7,000,000	9	0.51%
100 Mt. Holly By-Pass LLC	6,000,000	10	0.44%
Total	\$ 137,348,400		9.99%

2010		
TAXABLE ASSESSED VALUE	RANK <u>(OPTIONAL)</u>	% OF TOTAL DISTRICT NET ASSESSED VALUE

**INFORMATION CURRENTLY UNAVAILABLE**

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2019	\$ 14,913,321	\$ 14,913,321	100.00%
2018	14,687,624	14,687,624	100.00%
2017	14,209,132	14,209,132	100.00%
2016	14,166,759	14,166,759	100.00%
2015	13,827,457	13,827,457	100.00%
2014	14,139,871	14,139,871	100.00%
2013	13,944,946	13,944,946	100.00%
2012	13,711,091	13,711,091	100.00%
2011	13,711,091	13,711,091	100.00%
2010	13,502,988	13,502,988	100.00%

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

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

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2019	\$ 4,570,000	\$ -	\$ -	\$ 4,570,000	N/A
2018	5,890,000	-	-	5,890,000	482.59
2017	7,175,000	36,119	-	7,211,119	590.16
2016	8,420,000	71,482	-	8,491,482	692.79
2015	10,165,000	156,881	-	10,321,881	836.46
2014	11,905,000	240,176	-	12,145,176	978.42
2013	14,415,000	148,234	-	14,563,234	1,170.11
2012	17,455,000	194,988	-	17,649,988	1,410.31
2011	20,295,000	-	-	20,295,000	1,619.32
2010	15,725,000	-	-	15,725,000	1,252.79

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 historical view of the School District's outstanding debt and its debt capacity.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED <u>JUNE 30.</u>	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF <u>PROPERTY</u>	<u>PER CAPITA</u>
	GENERAL OBLIGATION <u>BONDS</u>	<u>DEDUCTIONS</u>	NET GENERAL BONDED DEBT <u>OUTSTANDING</u>		
2019	\$ 4,570,000	\$ -	\$ 4,570,000	0.33%	N/A
2018	5,890,000	-	5,890,000	0.43%	482.59
2017	7,175,000	-	7,175,000	0.52%	587.20
2016	8,420,000	-	8,420,000	0.61%	686.95
2015	10,165,000	-	10,165,000	0.73%	823.74
2018	11,905,000	-	11,905,000	0.86%	959.08
2013	14,415,000	-	14,415,000	1.02%	1,158.20
2012	17,455,000	-	17,455,000	1.22%	1,394.73
2011	20,295,000	-	20,295,000	1.41%	1,619.32
2010	15,725,000	-	15,725,000	1.09%	1,252.79

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2018**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lumberton Township	\$ 10,968,590	100.00%	\$ 10,968,590
Burlington County	253,458,314	3.111%	7,885,286
Rancocas Valley Regional High School	11,675,000	31.000%	<u>3,619,250</u>
Subtotal, Overlapping Debt			22,473,126
Lumberton Township Board of Education			<u>4,570,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 27,043,126</u></u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Dollars in Thousands)**

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 41,014,834	\$ 40,699,634	\$ 40,580,720	\$ 40,292,510	\$ 42,134,075	\$ 43,246,946	\$ 43,190,454	\$ 44,084,444	\$ 45,071,339	\$ 45,678,901
Total Net Debt Applicable to Limit	4,570,000	5,890,000	7,175,000	8,425,000	11,905,000	14,415,000	17,455,000	20,295,000	15,725,000	17,885,000
Legal Debt Margin	\$ 36,444,834	\$ 34,809,634	\$ 31,872,510	\$ 33,709,075	\$ 31,341,946	\$ 28,775,454	\$ 26,629,444	\$ 24,776,339	\$ 29,953,901	\$ 26,463,648
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.14%	14.47%	17.68%	20.00%	27.53%	33.38%	39.59%	45.03%	34.43%	40.33%

**Legal Debt Margin Calculation for Fiscal Year 2019**

Equalized Valuation Basis	
2018	\$ 1,379,696,600
2017	\$ 1,359,860,280
2016	1,361,926,514
	<u>\$ 4,101,483,394</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,367,161,131</u>
Debt Limit (3 % of Average Equalization Value) Net Bonded School Debt	\$ 41,014,834 <u>4,570,000</u>
Legal Debt Margin	<u>\$ 36,444,834</u>

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

## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within 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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>POPULATION</u>	BURLINGTON COUNTY <u>PER CAPITA INCOME</u>	<u>UNEMPLOYMENT RATE</u>
2019	N/A	N/A	N/A
2018	12,205	N/A	4.00%
2017	12,219	59,659	4.60%
2016	12,257	57,469	5.00%
2015	12,340	56,020	6.50%
2010	12,413	53,489	8.00%
2013	12,446	51,496	8.80%
2012	12,515	51,022	8.50%
2011	12,533	49,971	9.20%
2010	12,552	48,375	8.50%

Source: NJ Dept of Labor and Workforce Development

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

	<u>2019</u>	<u>2010</u>
	<u>EMPLOYEES</u>	<u>EMPLOYEES</u>
CVS Corporation	1,240	N/A
Lumberton Township School District	249	N/A
<b>Total</b>	<b>1,489</b>	<b>N/A</b>

Source: Burlington County Economic Development

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



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.

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2019	1,239	\$ 25,355,721	\$ 20,465	0.44%	114	10.87/1	1,222	1,167	-2.40%	95.50%
2018	1,260	25,671,804	20,374	14.15%	124	10.10/1	1,252	1,197	-7.05%	95.61%
2017	1,355	24,524,154	17,849	13.77%	126	10.75/1	1,347	1,289	-6.83%	95.64%
2016	1,374	23,548,402	15,688	1.50%	122	11.26/1	1,377	1,317	-1.27%	95.94%
2015	1,501	23,077,525	15,457	6.18%	127	11.82/1	1,478	1,418	-2.22%	96.19%
2014	1,493	22,272,350	14,557	13.58%	132	11.31/1	1,497	1,440	-6.70%	96.08%
2013	1,530	21,031,912	12,817	2.65%	122	12.54/1	1,531	1,471	-1.44%	96.77%
2012	1,641	20,800,912	12,486	-3.67%	142	11.55/1	1,641	1,588	-1.36%	95.86%
2011	1,666	21,864,979	12,961	2.95%	131	12.72/1	1,665	1,596	-1.06%	95.79%
2010	1,687	21,489,919	12,589	0.69%	155	10.88/1	1,688	1,617	-0.70%	96.25%

Sources: District records

Note: Enrollment based on annual October district count.

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

DISTRICT BUILDINGS	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Elementary Schools:										
Bobby's Run School:										
Square Feet	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110
Capacity (Students)	415	415	415	415	415	415	415	415	415	415
Enrollment	268	290	314	333	336	337	329	361	386	358
Florence L. Walther School:										
Square Feet	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment	239	226	217	256	302	293	316	359	350	380
Ashbrook School:										
Square Feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300
Capacity (Students)	402	402	402	402	402	402	402	402	402	402
Enrollment	217	237	271	271	297	326	324	349	350	364
Middle School:										
Lumberton Middle School:										
Square Feet	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106
Capacity (Students)	634	634	634	634	634	634	634	634	634	634
Enrollment	505	507	532	514	566	537	561	572	580	585

Number of Schools at June 30, 2019:  
 Elementary = 3  
 Middle School = 1

Source: District Facilities Office

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	PROJECT #	FISCAL YEAR ENDING JUNE 30.									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Bobby's Run School	Required Maintenance	\$ 109,412	\$ 80,843	\$ 55,318	\$ 49,562	\$ 54,304	\$ 39,750	\$ 45,329	\$ 52,417	\$ 26,053	\$ 34,324
Lumberton Middle School	Required Maintenance	51,375	74,664	74,536	72,331	88,710	67,935	63,790	64,410	40,847	48,016
Florence L. Walther School	Required Maintenance	35,095	33,560	48,147	38,752	41,350	23,984	44,590	38,786	35,267	32,828
Ashbrook School	Required Maintenance	23,750	28,686	30,943	29,334	25,696	27,045	34,936	37,024	23,366	27,619
District-Wide Items	Required Maintenance	-	2,556	-	-	2,792	3,356	3,606	6,963	-	-
<b>Total</b>		<b>\$ 219,632</b>	<b>\$ 220,309</b>	<b>\$ 189,979</b>	<b>\$ 212,852</b>	<b>\$ 162,070</b>	<b>\$ 192,251</b>	<b>\$ 199,600</b>	<b>\$ 125,533</b>	<b>\$ 142,787</b>	<b>\$ 188,837</b>

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

Source: District records

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2019**

	COVERAGE	DEDUCTIBLE
<b>Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):</b>		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	\$ 250,000	\$ 500
General Liability / Auto Liability	250,000	
Educators Legal Liability	175,000	
Workers Compensation	250,000	
Crime	250,000	500
Boiler and Machinery	None	
Pollution Liability	None	
Cyber Liability	None	
<b>School Pool For Excess Liability Limits</b>		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	175,000,000	
Crime	500,000	
Workers Compensation	Statutory	
Employers Liability	10,000,000	
General Liability / Auto Liability	20,000,000	
Educators' Legal Liability	20,000,000	
Boiler and Machinery	125,000,000	1,000
Pollution Liability	3,000,000	25,000
Cyber Liability	1,000,000	25,000
Violent Malicious Acts	1,000,000	15,000
Disaster Management Services	2,000,000	15,000
<b>Selective Insurance Company of America</b>		
Surety - Board Secretary	300,000	

Source: District Records

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**SINGLE AUDIT SECTION**

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**EXHIBIT K-1**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Lumberton Township School District's basic financial statements, and have issued our report thereon dated December 10, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lumberton Township 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 Lumberton Township 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 a 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 Lumberton Township 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
December 10, 2019

**EXHIBIT K-2**

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

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

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

We have audited the Lumberton Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/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 Lumberton Township 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 Lumberton Township 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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 School District's compliance.

## Opinion on Each Major Federal and State Program

In our opinion, the Lumberton Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

## Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
December 10, 2019

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEAR BALANCES	ADJUSTMENTS	BALANCE, JUNE 30, 2019	
												(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
													UNEARNED REVENUE
<b>U.S. Department of Health and Human Services</b>													
Passed Through New Jersey Department of Human Services: Medical Assistance Program (SEM)	93.778	1905NJSMAP	100-054-7540-211	\$ 48,754	7/1/18-6/30/19	\$ -	48,754	(48,754)	-	-	-	-	-
Total Medical Assistance Program (SEM)							48,754	(48,754)	-	-	-	-	-
<b>Total U.S. Department of Health and Human Services</b>													
<b>U.S. Department of Agriculture</b>													
Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster:													
School Breakfast Program	10.553	19INJ304N1099	100-010-3350-028	38,357	7/1/18-6/30/19	-	35,021	(38,357)	-	-	-	(3,336)	-
School Breakfast Program	10.553	18INJ304N1099	100-010-3350-028	38,366	7/1/17-6/30/18	(3,543)	38,564	(38,357)	-	-	-	(3,336)	-
National School Lunch Program	10.555	19INJ304N1099	100-010-3350-026	145,940	7/1/18-6/30/19	-	135,007	(145,940)	-	-	-	(10,933)	-
National School Lunch Program	10.555	18INJ304N1099	100-010-3350-026	141,467	7/1/17-6/30/18	(11,619)	11,619	-	-	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	19INJ304N1099	100-010-3350-026	6,025	7/1/18-6/30/19	-	5,563	(6,025)	-	-	-	(462)	-
Healthy Hunger-Free Kids Act	10.555	18INJ304N1099	100-010-3350-026	6,088	7/1/17-6/30/18	(512)	512	-	-	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	19INJ304N1099	Unavailable	38,592	7/1/18-6/30/19	(12,131)	191,293	(190,557)	-	-	-	(11,395)	-
Special Milk Program for Children	10.556	19INJ304N1099	100-010-3350-027	378	7/1/18-6/30/19	-	344	(378)	-	-	-	(34)	-
Special Milk Program for Children	10.556	18INJ304N1099	100-010-3350-027	338	7/1/17-6/30/18	(49)	49	-	-	-	-	-	-
Total Child Nutrition Cluster							393	(378)	-	-	-	(34)	-
<b>Total U.S. Department of Agriculture</b>							230,250	(229,292)	-	-	-	(14,765)	-
<b>U.S. Department of Education</b>													
Passed Through New Jersey Department of Education: L.D.E.A. Part B (Special Education Cluster)													
Basic	84.027	H027A180100	100-034-5065-016	329,743	7/1/18-6/30/19	-	283,275	(329,743)	-	-	-	(46,468)	-
Preschool	84.173	H173A180114	100-034-5065-020	29,095	7/1/18-6/30/19	-	29,095	(29,095)	-	-	-	-	-
Total Special Education Cluster							312,370	(358,838)	-	-	-	(46,468)	-
Title I - Part A	84.010	S010A180030	100-034-5064-194	158,539	7/1/18-6/30/19	-	111,502	(158,539)	-	-	-	(47,037)	-
Title I - Part A	84.010	S010A170030	100-034-5064-194	157,364	7/1/17-6/30/18	(200)	200	-	-	-	-	-	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A180029	100-034-5063-290	37,165	7/1/18-6/30/19	-	35,824	(37,165)	-	-	-	(1,341)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A170029	100-034-5063-290	41,416	7/1/17-6/30/18	(5,396)	5,396	-	-	-	-	-	-
Title III - English Language Acquisition	84.367	S365A180030	100-034-5063-290	1,545	7/1/18-6/30/19	-	402	(1,545)	-	-	-	(1,143)	-
Total U.S. Department of Education							465,694	(556,087)	-	-	-	(95,989)	-
<b>Total Expenditures of Federal Awards</b>							744,698	(834,133)	-	-	-	(110,754)	-

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2018	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENT	MEMO		
										BALANCE, JUNE 30, 2019 ACCOUNTS RECEIVABLE	UNEARNED REVENUE	BUDGETARY RECEIVABLE
<b>New Jersey Department of Education:</b>												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 6,879,838	7/1/18-6/30/19	-	-	6,879,838	(6,879,838)	-	-	-	651,268	\$ 6,879,838
Security Aid	495-034-5120-084	176,844	7/1/18-6/30/19	-	-	176,844	(176,844)	-	-	-	16,741	176,844
Special Education Categorical Aid	495-034-5120-089	906,745	7/1/18-6/30/19	-	-	906,745	(906,745)	-	-	-	85,836	906,745
Total State Aid Public						7,963,427	(7,963,427)	-	-	-	753,845	7,963,427
Transportation Aid	495-034-5120-014	73,845	7/1/18-6/30/19	-	-	73,845	(73,845)	-	-	-	6,990	73,845
Additional Nonpublic School Transportation Aid	495-034-5120-014	21,123	7/1/18-6/30/19	-	-	-	(21,123)	-	-	-	-	21,123
Additional Nonpublic School Transportation Aid	495-034-5120-014	31,791	7/1/17-6/30/18	(31,791)	-	31,791	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	138,706	7/1/18-6/30/19	-	-	-	(138,706)	-	-	-	-	138,706
Extraordinary Aid	495-034-5120-044	109,643	7/1/17-6/30/18	(109,643)	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	100-034-5094-003	684,500	7/1/18-6/30/19	-	-	620,669	(684,500)	-	-	-	-	684,500
TPAF - Post Retirement	495-034-5094-001	885,306	7/1/18-6/30/19	-	-	885,306	(885,306)	-	-	-	-	885,306
Medical (Noncash Assistance)	495-034-5094-002	1,951,741	7/1/18-6/30/19	-	-	1,951,741	(1,951,741)	-	-	-	-	1,951,741
TPAF - Pension	495-034-5094-002	1,951,741	7/1/18-6/30/19	-	-	1,951,741	(1,951,741)	-	-	-	-	1,951,741
Contributions (Noncash Assistance)	495-034-5094-002	1,951,741	7/1/18-6/30/19	-	-	1,951,741	(1,951,741)	-	-	-	-	1,951,741
TPAF - Long-Term Disability	495-034-5094-004	1,003	7/1/18-6/30/19	-	-	1,003	(1,003)	-	-	-	-	1,003
Insurance (Noncash Assistance)	495-034-5094-004	1,003	7/1/18-6/30/19	-	-	1,003	(1,003)	-	-	-	-	1,003
Total General Fund				(141,434)	-	11,637,425	(11,719,651)	-	-	(223,660)	760,835	11,719,651
Debt Service Fund:												
Debt Service Aid Type II	495-034-5120-075	545,600	7/1/18-6/30/19	-	-	545,600	(545,600)	-	-	-	-	545,600
Total Debt Service Fund						545,600	(545,600)	-	-	-	-	545,600
<b>New Jersey Department of Agriculture:</b>												
Enterprise Fund:												
National School Lunch Program	100-010-3350-023	5,217	7/1/18-6/30/19	-	-	4,817	(5,217)	-	-	(400)	-	5,217
National School Lunch Program	100-010-3350-023	5,266	7/1/17-6/30/18	(443)	-	443	-	-	-	-	-	-
Total Enterprise Fund				(443)	-	5,260	(5,217)	-	-	(400)	-	5,217
<b>Total State Financial Assistance</b>				\$ (141,877)	\$ -	\$ 12,188,285	\$ (12,270,468)	\$ -	\$ -	\$ (224,060)	\$ 760,835	\$ 12,270,468
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
TPAF - Post Retirement	495-034-5094-001	\$ 885,306	7/1/18-6/30/19									
Medical (Noncash Assistance)												
TPAF - Pension												
Contributions (Noncash Assistance)												
TPAF - Long-Term Disability												
Insurance (Noncash Assistance)												
<b>Total State Financial Assistance subject to Calculation for Major Program Determination</b>												\$ (9,432,418)

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

**LUMBERTON TOWNSHIP 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 present the activity of all federal awards and state financial assistance programs of the Lumberton Township School District. The School District is defined in Note 1 of the 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 New Jersey OMB's Circular 15-08, *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 is included on the schedule of expenditures of federal awards and state financial assistance.

**Note 2. Summary of Significant Accounting Policies**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule 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* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

**Note 3. Relationship to Basic Financial Statements**

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Note 3. Relationship to Basic Financial Statements (continued)**

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$15,965 for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 48,754	\$ 11,735,616	\$ 11,784,370
Special Revenue Fund	556,087	-	556,087
Debt Service Fund	-	545,600	545,600
Food Service Fund	<u>229,292</u>	<u>5,217</u>	<u>234,509</u>
Total Awards & Financial Assistance	<u>\$ 834,133</u>	<u>\$ 12,286,433</u>	<u>\$ 13,120,566</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The Lumberton Township School District had no loan balances outstanding at June 30, 2019.



LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?        yes   X   no

2) Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

1) Material weakness(es) identified?        yes   X   no

2) 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 2 CFR 200 section .516(a) of Uniform Guidance?        yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A180100</u>	<u>Special Education Cluster:</u>
<u>84.173</u>	<u>H173A180114</u>	<u>I.D.E.A. Part B - Basic</u>
<u>      </u>	<u>      </u>	<u>I.D.E.A. Part B -Preschool</u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee?   X   yes        no

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results (continued)

**State Financial Assistance**

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee?  X  yes   no

Internal control over major programs:

1) Material weakness(es) identified?   yes  X  no

2) Significant deficiency(ies) identified?   yes  X  no

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

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

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

495-034-5120-078

495-034-5120-084

495-034-5120-089

State Aid - Public:

Equalization Aid

Categorical Security Aid

Categorical Special Education Aid

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Section II – Financial Statement Findings**

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

None.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE**

None.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior year findings related to the financial statements, 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

**Finding No. 2018-001**

Condition:

It was noted during our audit that a proper reconciliation of the payroll and agency accounts is not being completed or maintained.

Current Status:

This finding has been corrected.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.