

**SCHOOL DISTRICT  
OF  
LAKELAND REGIONAL**

**Lakeland Regional High School District  
Wanaque, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020**

**Comprehensive Annual  
Financial Report**

**of the**

**Lakeland Regional High School District**

**Wanaque, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**Prepared by**

**Lakeland Regional High School District  
Board of Education**

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**INTRODUCTORY SECTION  
(UNAUDITED)**



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Robert Brown  
Interim Business Administrator

December 16, 2020

Honorable President and  
Members of the Board of Education  
Lakeland Regional High School District  
County of Passaic, New Jersey 07465

Dear Board Members:

The comprehensive annual financial report of the Lakeland Regional High School District (the “District”) for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the “Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials and consultants. The financial section includes the Independent Auditor’s Report, the management’s discussion and analysis, the basic financial statements and notes providing an overview of the District’s financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The 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’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:**

The Lakeland Regional High School District is an independent reporting entity within the criteria adopted in Governmental Accounting Standards Board (“GASB”) in Codification Section 2100. All funds of the District are included in this report. The Lakeland Regional High School District Board of Education and its school constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These services include a wide range of academic and elective courses as well as special education for handicapped youngsters. The District completed the 2019-20 school year with an enrollment of 985 students.

2. ECONOMIC CONDITION AND OUTLOOK:

The overall regional equalized property assessment increased for the first time in many years during the 2017-18 school year. Then, in 2018-19 and 2019-20, we saw the largest increases in quite some time of \$52,506,112 and \$181,874,379, respectively, as indicated by the table, below:

<i>Fiscal Year</i>	<i>Regional Equalized Property Valuation</i>	<i>Difference</i>
2016-17	2,875,206,475	-12,076,318
2017-18	2,892,058,660	+16,928,503
2018-19	2,944,564,772	+52,506,112
2019-20	3,126,439,151	+181,874,379

3. MAJOR INITIATIVES:

A. **District Planning Initiatives**

**Lakeland Regional High School District**

Lakeland Regional High School, serving grades 9-12, is a comprehensive high school district. Students come to the high school from the Ringwood and Wanaque elementary districts and several private schools. The constituent communities have a combined population of approximately 23,969 for the calendar year of 2019.

As a comprehensive high school, Lakeland offers an extensive curriculum designed to serve the interests and abilities of all students. The high school operates under an intensive scheduling format, consisting of five, 80-minute blocks per day. In the intensive scheduling format, students concentrate in greater depth in longer periods. We have an A/B full year course schedule to prepare students for end-of-course testing. To be eligible for graduation each student must acquire 135 credits, meet all State and District course requirements and pass all New Jersey State and Federal ESEA-required testing.

During the 2019-20 school year the District completed its 3rd year of its Strategic Plan. This Strategic Plan is in place for the 2018-2021 school years and is listed on the school's website.

The Strategic Plan delineates four District-wide goals for 2018-21:

1. To provide students with a variety of educational programs to promote academic and career readiness for all learners.
2. To provide a safe and supportive environment to increase resiliency and prepare students for post-graduation life.
3. To nurture and cultivate a safe, secure, and welcoming school environment that creates productive relationships with the surrounding communities.
4. To develop a safe and modern, accessible learning environment that affords our students and community the opportunity to develop 21<sup>st</sup>-century learning skills.

The District also went through the Quality Single Accountability Continuum Performance Review (QSAC) during the 2018-19 school year and remained on target in all areas. The goal is to remain at the current scores from this review or to grow based on the scores. **District's scores** = 81% Instruction & Program, 96% Fiscal Management, 100% Governance, 100% Operations and 95% Personnel. All five areas of the District Performance Review are satisfactory and we are designated as a high achieving school.

Lakeland Regional High School is preparing its students for 21<sup>st</sup> Century College and Career Readiness by offering an extensive multi-leveled curriculum in all subject areas to meet the needs of all students within the District.



To prepare students for their high school experience the entire 9<sup>th</sup> grade class is invited to participate in the **Freshman Connections Program** every August. This one-day program involves student-driven activities by students who are leaders in various clubs within the school. In addition, club advisors, counselors, teachers and administrators work with these students in a review of study skills, character, academic opportunities and an introduction to co-curricular activities and athletics. The peer leaders and counselors with whom they work during the two days are the same individuals with whom they will be during meetings throughout the school year. This gives new students the opportunity to become part of the school culture and most importantly build school connectedness for a successful high school experience.

In addition to this program we now have our **Speak With a Newbie Program (SWAN)** that offers the same experience to students who transfer into LRHS at all grade levels offering them ongoing support and guidance for connectedness and adjusting to their new school environment. This includes students moving in from other communities, other states and, in some cases, other countries.

Counselors work with students using **Naviance** to help students develop educational and career goals as well as building upon the **Connections Program** with a focus on character and providing tolerance and diversity education. This also makes students aware that harassment, intimidation and bullying does not belong in our school or anywhere else. These programs are continued in 10<sup>th</sup> grade with **EXPLORE** which provides students with support and awareness of testing (e.g., PSAT), which is used to identify student weaknesses and strengths in several academic areas. The **Junior Conference** takes place in the 11<sup>th</sup> grade and parents and students work with counselors to review student's progress and to build post-secondary plans for college and careers. In senior year, students have the opportunity to experience a **Senior Option**. **Senior Options** include: Dual Enrollment, School to Work, Senior Internship, and Senior Service opportunities. Students that are involved with School to Work or Senior Internship will gain hands-on experience in a career in which they are interested and gain valuable experience for their resume and college applications.

In addition, we offer the **ACCUPLACER** to Juniors and Seniors who are enrolled in our **PCCC Algebra** course and students who need to meet a graduation requirement. The **ASVAB** is also offered to students in their junior or senior year who are interested in the military or need to fulfill a state testing requirement.

As required, the LRHS District implements a teacher and administrative observation tool under **ACHIEVE NJ**. This includes multiple observations and conferences along with ongoing training for teachers and administrators. Student Growth Objectives are used to measure student performance and require a review by the School Improvement Panel and the DEAC Committee. The results of all observations during the 2019-20 school year have been reported to the state via NJSMART.

Lakeland Regional High School District conducted its second year of NJ Student Learning Assessments which are mandatory for all New Jersey public schools and was featured as a District with one of the highest average scores in Passaic County.

Lakeland Regional High School has a comprehensive school counseling program. Lakeland is the first school in the state of New Jersey to demonstrate this level of accountability for school counseling and is a two-time recipient of the nationally **Recognized ASCA Model Program (RAMP)** award.

The District conducted its annual informational programming which included: Back to School Night, Freshman Parent Orientation Program, a meeting for parents of academically talented seventh grade students, Financial Aid Workshops for parents and students, and an Open House for incoming freshman students and their parents. Other parent/community contacts included: Guidance Advisory Committee, parents, teachers and administrators, Ringwood and Wanaque libraries, Passaic County Community College (PCCC), Ramapo College, William Paterson University, Fairleigh Dickinson University, and Centenary University. The Superintendent Advisory Committee is now the **DEAC** Committee consisting of administrators, parents and faculty and continues to review programs, courses and student support for academic and social success. The main focus is on student performance and monitoring the Stronge Evaluation Model.

Parent meetings for students who are at risk took place and students have enrolled in our Educational Support Programs (**ESP**) to assist them in the areas of Language Arts Literature and Mathematics.

**SAIL** is a school refusal program for students with documented diagnosis of mental health challenges (i.e., depression, anxiety, panic disorder, etc.) that impact their ability to attend and be successful in a traditional school environment. The students are not necessarily special education students, but they must go through an intake process to identify factors for the school refusal. This process includes our three school psychologists and our school counselors from our School Counseling Department. The classroom is self-contained and our teachers are hand-picked for their positive student interactions and ability to provide a nurturing and effective learning environment.

In order to continue to support our students, the District has moved toward **the Multi-Tiered System of Support, commonly referred to as “Response to Intervention (RTI).”** Response to intervention integrates assessment and intervention within a multi-level prevention system to maximize student achievement and to reduce behavioral problems. With RTI, schools use data to determine students at risk for poor learning outcomes, monitor student progress, provide evidence-based interventions and adjust the intensity and nature of those interventions depending on a student’s responsiveness, and identify students with learning.

Over the past three years, we have instituted and expanded upon our **University Programs at Lakeland Regional High School (UPAL)**. These college and career specific programs provide students with curricular and extra-curricular opportunities in a number of different specified areas: Biomedical Research; Computer Languages & Programming; Engineering & Design; Finance & Business Studies; Exercise Physiology/Physical Science; and Visual & Graphic Arts.

Throughout the ongoing COVID-19 crisis, the District has continued to engage all stakeholders through our **Pandemic Response Team** which is responsible for constantly reviewing our practices regarding the Distance Learning. Through the Google Suite for education, our faculty and staff have engaged with our students through a synchronous hybrid model of instruction.

The Lakeland Website continues to serve as a very valuable tool for communication to the parents, students and the greater Lakeland community. The District added **Facebook, Twitter, and Instagram** pages several years ago which continues with great success. The **Parent Portal** is a principal component for parental/school communication. Parent Portal enables parents, through a password protected connection, to view their child’s schedule, grades and attendance and discipline records via Lakeland’s website. In addition to Parent Portal, every staff member has an e-mail address and voice mail telephone number. Our School Messenger system allows the District to contact the entire community of Board members, parents, staff and administrators or many subgroups through a broadcast telephone SMS & E-mail. This was used many times during the last two school years, particularly with the regular snowfall our area receives during the winter months. The community feedback on these two communication systems has been extremely positive.

The **Renaissance Program** has been an ongoing project at Lakeland. This program is designed to inspire acceptance and excitement for academic success in high school. Through this program Lakeland continues to increase student performance and teacher enthusiasm. At the same time the Renaissance program initiative strives to raise the level of community participation in school activities. The District’s (**SWAP - Speak with a Peer**) and **LEAP (Leaders Encouraging Adolescent Progress)** also continues to provide many student-to-student programs and contacts supporting student success during the year and throughout the summer.

Along with its extensive and comprehensive curriculum, Lakeland Regional High School is proud of the 31 varsity athletic teams (67 total teams) and 87 clubs and activities that are available to the students from Ringwood and Wanaque. Over the past few years, student participation in these offerings has increased and as a result the school has enjoyed many county, conference and state championships. This success promotes enthusiasm and pride throughout the entire Lakeland complex.

Some of the co-curricular offerings include Robotics, Cultural Clubs, Performing Arts programs and a plethora of everything in between. These programs along with our athletic programs are known throughout the community and utilized as a means of community support and communication.

**B. Facilities Improvements**

During the 2019-20 school year, the Board of Education pursued and completed several much-needed capital projects and upgrades, both large and small, designed to update the school’s functionality and appearance. During the summer of 2019, the district moved into overdrive to launch several of our most impressive capital projects to date; namely, our 2<sup>nd</sup> state-of-the-art Biotech STEM lab, the completion of air conditioning throughout the entire campus (including both gymnasiums), our high-security “man-trap” for entrance to the Main Office and installation of 3M® security window film on all first-floor windows. Our new STEM lab contains flexible student work stations, conferencing areas and a number of high-tech/commercial-grade instruments.

The air conditioning of all East Building instructional areas, the campus Cafeteria, the East and West building gymnasiums and a centralizing of the controls for our district’s Main Office areas was completed during the 2018-19 school year. We now have a fully air-conditioned campus.

Also, during 2019-20, the district performed a review of options for upgrade of its running track. Various upgrades were considered and a purchase order was issued to complete the full renovation in the summer of 2020.

Finally, a major security upgrade was completed in the fall of 2019 creating a “man trap” entrance for our district’s Main Office to cement the security of students and staff at our key portal to the campus buildings.

**C. Test Results**

In two key areas, Scholastic Aptitude Test (SAT) and Advanced Placement (AP) tests, Lakeland experienced positive results.

The SAT class of 2020 averages are excellent for both the verbal and math sections of the test. The following list provides results for the last 10 years for comparison:

	<b>Verbal</b>	<b>Math</b>	<b>Writing</b>	<b>Total SAT</b>	<b>% of Class Taking Test</b>
Class of 2020	551	530	N/A	1081	77%
Class of 2019	550	540	N/A	1090	76%
Class of 2018	570	558	N/A	1128	62%
Class of 2017	560	548	N/A	1108	72%
Class of 2016	505	524	496	1525	74%
Class of 2015	494	512	487	1493	70%
Class of 2014	507	522	509	1538	78%
Class of 2013	510	520	503	1533	76%
Class of 2012	492	503	499	1494	81%
Class of 2011	510	521	515	1546	76%

#### **D. Implementation of School - Level Plans (N.J.A.C. 6:8-4.4) for the 2019-2020 School Year**

During the 2019-20 school year we continued to focus on the goals and objectives set within the new Strategic Plan. There has been a focus on delivering an exemplary educational program for our students, including the use of additional technology and the implementation of online programs for students and staff. We continued to move forward in the area of wireless technology by installing additional wireless ports for Chromebooks. During 2018-19 we added to our fleet of Chromebooks which have been in high demand in all our classrooms. This has simplified NJ Student Learning Assessment testing and allowed us to complete the process in far fewer days so that less instructional time is spent on testing. Our computer labs have been updated with new equipment and software to further facilitate our NJ Student Learning Assessment process.

#### **E. Professional Development Activities (N.J.A.C. 6:8-4.8)**

The Lakeland Regional High School District will provide workshops/trainings in the areas identified in our Needs Assessment and Professional Development Plan. These opportunities will be offered to staff and address areas such as 21<sup>st</sup> Century Classroom Skills, Implementing the NJSL standards and NJ Student Learning Assessment. Opportunities will also be provided for training teachers in the use of handheld devices in the classroom, cooperative learning, data driven instruction/assessment and the infusion of technology throughout the curriculum. Lakeland Regional High School provides three means for faculty to obtain professional development hours based on our most recent Professional Development Plan

1. Topics discussed during our scheduled professional days address the use and implementation of technology in the classroom and District. During the professional development process, our Professional Development Committee reviews the District Strategic Plan, Technology Plan and surveys the staff to determine and coordinate the District's professional development activities. The District continues to make a commitment to providing quality professional development, 2 full days and up to 6 half days are built into the school calendar. This is in addition to the District sending staff members to out of district workshops, online courses for advanced learners and reimbursement for college courses.

2. The New Jersey Department of Education requires annual training on a variety of topics. To abide by this requirement, the Lakeland Regional High School District has contracted with Global Compliance Network (GCN). GCN is an internet based training program. After finishing a required training module, an electronic record of that training goes to an online database. After all the necessary modules are completed, a staff member can print a record of those trainings. Examples of these trainings are: Affirmative Action, The New Jersey Anti-Bullying Bill of Rights, The I&RS Process, Section 504 and Gang Awareness.

3. Teachers will be trained on the use of any and all assistive technologies that are to be used in the classroom, Media Center and other parts of the school facility. Training/professional development will be provided before the implementation of the assistive technology in the classroom and on-going training will be offered for additional support. This model will also apply to any assistive technology that is mandated for use by student IEPs and 504 plans. This also includes the use of new software for IEPs and ongoing training for co-teaching in the in class support environment.

#### **F. Multimedia Lab In service 2019-20**

Lakeland provides two days of new teacher training on a variety of topics including: the Stronge Model, OASYS software, turnitin.com- an anti-plagiarism tool- electronic lesson plans, cyber bullying, etc. Staff members conducted these sessions at the end of August to assist new staff hires with the various technology used by the District. At Back-to-School night in September 2019, the guidance director and counselors supplied information to parents regarding logon procedures for the Real Time Parent Portal application.

In 2019-20, computer technology classes continue to host a variety of student projects using Final Cut Pro, PowerPoint, Adobe Photoshop, Adobe Premiere, Flash, and Audacity. The lab utilization calendar shows classes made use of EBSCO, Facts on File, and ProQuest databases, Blue Jay compiling, Everfi, International Business Plan, Microsoft Office Suite and turnitin.com software to research information, model scenarios, and create reports. Lab opportunities are offered to all staff on a regular basis in order to provide students with computer sessions for class use. Professional development seminars were also offered to staff regarding data input for SGO Excel worksheets, document log assembly, Google Suite for Education.

#### 4. INTERNAL ACCOUNTING CONTROLS

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

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

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

#### 5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as an appropriation of fund balance in the subsequent year. Those amounts to be appropriated are reported as components of fund balance at June 30, 2020.

#### 6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

#### 7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, workers compensation, health, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

The Board is a member of the Pooled Insurance Program of New Jersey ("PIP"). The PIP is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the PIP is included in Note 10 to the Basic Financial Statements.

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Lakeland Regional High School 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 been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

*Hugh Beattie*

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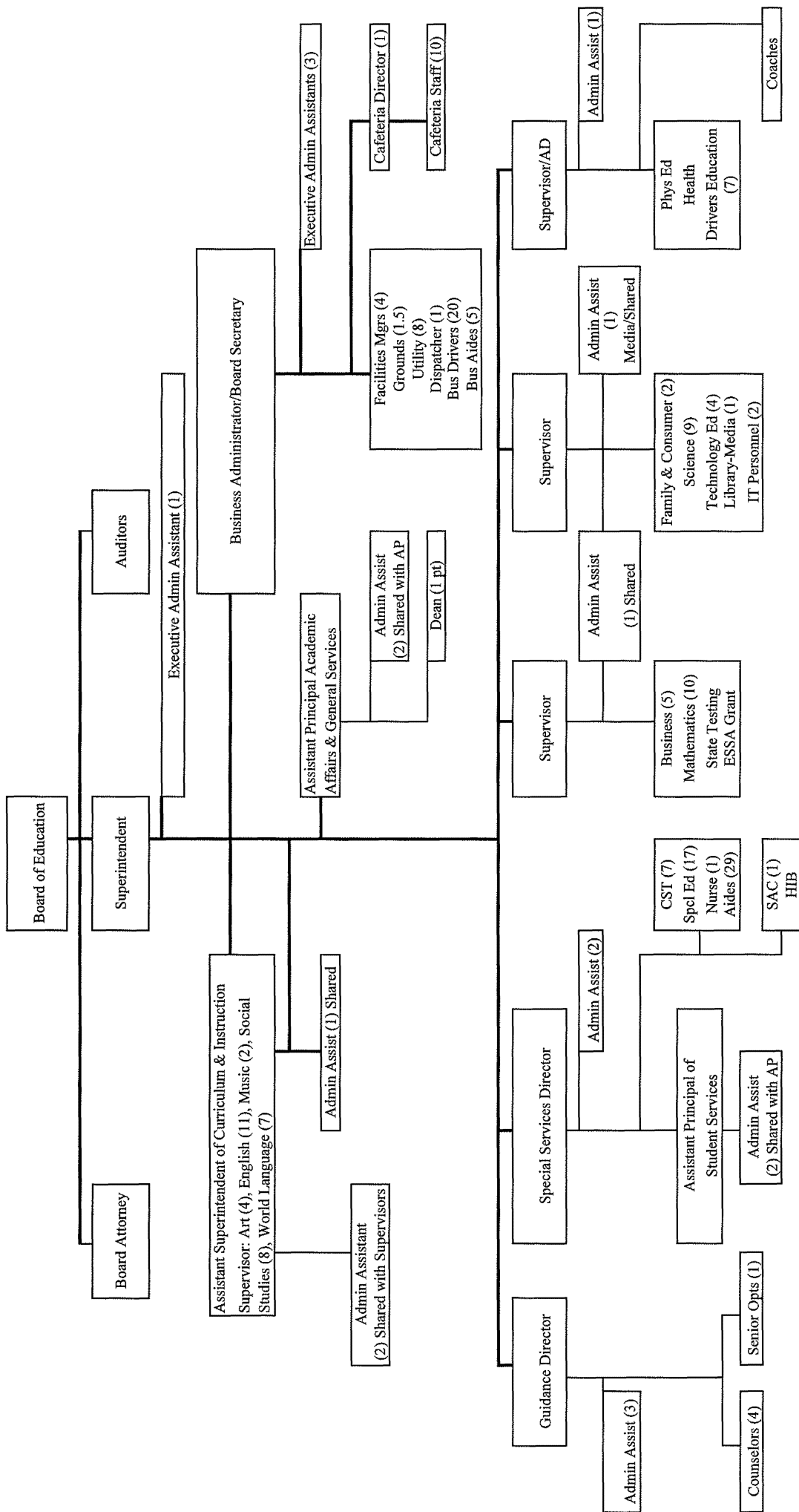
Hugh Beattie  
Superintendent of Schools

*Robert Brown*

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Robert Brown  
Interim Board Secretary/School Business  
Administrator

LAKELAND REGIONAL HIGH SCHOOL - ORGANIZATION CHART - 2019-2020



**LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
 ROSTER OF OFFICIALS  
 JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Robert Adams, President	2020
Joseph Walker, Vice President	2021
Gerald Brennan	2020
Maryann Brett	2022
John Griffin	2020
Samuel Nastory, Jr.	2022
Suzanne Raoul	2021
Daniel Sinclair	2021
Bruce Gibson	2022

<u>Other Officers</u>	<u>Title</u>
Hugh Beattie	Chief School Administrator
Kathryn Davenport	Board Secretary/School Business Administrator
Virginia Merlino	Treasurer



**LAKELAND REGIONAL HIGH SCHOOL DISTRICT**  
**Consultants and Advisors**

**Architects/Engineers**

Solutions Architecture  
81 Clay Street  
2<sup>nd</sup> Floor, Suite #2  
Newark, NJ 07104

FKA Architects  
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Oakland, NJ 07436

**Audit Firm**

Nisivoccia LLP, CPAs  
Mount Arlington Corporate Center  
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Mount Arlington, NJ 07856-1320

**Attorneys**

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Upper Level 105  
Oakland, NJ 07436

**Official Depository**

Lakeland Bank  
94 Ringwood Avenue  
Wanaque, NJ 07465

**FINANCIAL SECTION**



200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973.298.8500

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Newton, NJ 07860  
973.383.6699

[nisivoccia.com](http://nisivoccia.com)

Independent Member  
BKR International

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Lakeland Regional High School District  
County of Passaic, 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 Board of Education of the Lakeland Regional High School District (the "District") in the County of Passaic as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and 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 District, as of and for the fiscal year ended June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement benefit schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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 District's basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Honorable President and Members  
of the Board of Education  
Lakeland Regional High School District  
Page 3

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
December 16, 2020

NISIVOCCIA LLP

*Francis Jones of Nisivoccia LLP*  
Francis Jones,  
Licensed Public School Accountant #1154  
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This discussion and analysis of the Lakeland Regional High School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2020. The intent of this is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1 Organization of Lakeland Regional High's Financial Report**

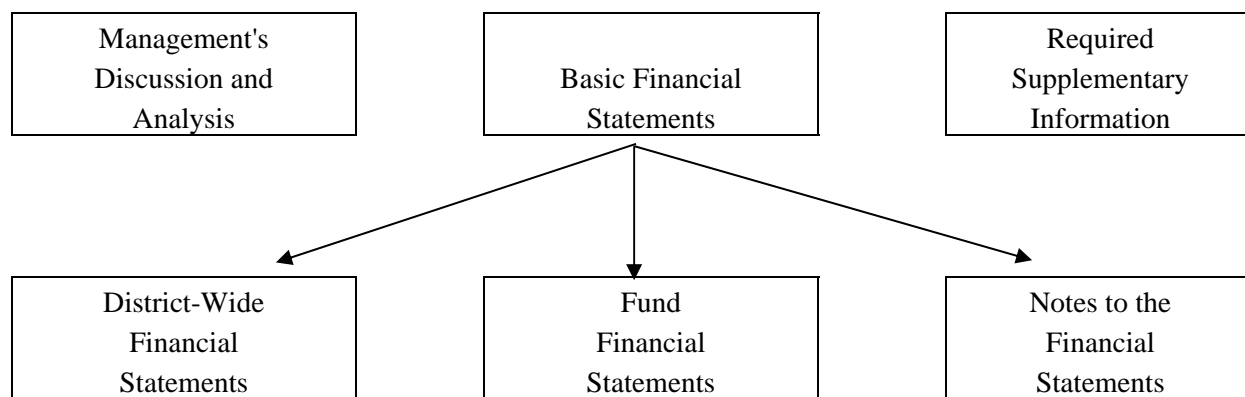


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**Figure A-2**  
**Major Features of the District-Wide and Fund Financial Statements**

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and transportation	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the fiscal year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the fiscal year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	All additions and deductions during the fiscal year, regardless of when cash is received or paid



**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**District-wide Statements**

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

The two district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

**Fund Financial Statements**

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**Fund Financial Statements**

The District has three kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at fiscal year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The *internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently maintains an internal service fund for transportation.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**Notes to Financial Statements**

Provide additional information essential to full understanding of District-wide and fund financial statements.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

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

The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2020 and 2019. The District's combined net position was \$17,407,122 on June 30, 2020, \$462,937 or 2.73% more than the year before. The District's financial position for governmental activities increased by \$547,279 and the net position of the business-type activities decreased by \$84,342.

**Figure A-3  
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	Change 2019/20
Current and							
Other Assets	\$ 4,986,066	\$ 5,397,567	\$ 22,086	\$104,449	\$ 5,008,152	\$ 5,502,016	
Capital Assets, Net	21,423,282	20,708,530	24,198	22,933	21,447,480	20,731,463	
Total Assets	26,409,348	26,106,097	46,284	127,382	26,455,632	26,233,479	0.85%
Deferred Outflows of Resources	2,024,810	2,294,171			2,024,810	2,294,171	-11.74%
Other Liabilities	576,454	415,963	3,244		579,698	415,963	
Long-Term Liabilities	7,875,996	8,546,782			7,875,996	8,546,782	
Total Liabilities	8,452,450	8,962,745	3,244	-0-	8,455,694	8,962,745	-5.66%
Deferred Inflows of Resources	2,617,626	2,620,720			2,617,626	2,620,720	-0.12%
Net Position:							
Net Investment in							
Capital Assets	20,923,282	19,938,530	24,198	22,933	20,947,480	\$19,961,463	
Restricted	2,269,206	2,627,030			2,269,206	2,627,030	
Unrestricted/(Deficit)	(5,828,406)	(5,748,757)	18,842	104,449	(5,809,564)	(5,644,308)	
Total Net Position	\$17,364,082	\$16,816,803	\$43,040	\$127,382	\$17,407,122	\$16,944,185	2.73%

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**Changes in Net Position**

Figure A-4 represents the *Changes in Net Position*. Net investment in capital assets increased \$986,017 due to \$1,385,911 in capital assets additions and the retirement of \$270,000 of serial bonds payable, offset by \$669,894 of depreciation expense. Restricted net position decreased \$357,824 due to a net decrease in the capital reserve of \$368,869 and a decrease in excess surplus of \$459,780, offset by a net increase in the maintenance reserve of \$470,825. Unrestricted net position (deficit) decreased \$165,256 primarily due to changes in deferred inflows and outflows related to pensions and a net increase in compensated absences, offset by the retirement of ERIP debt, amortized premium on bonds and a decrease in the net pension liability.

**Figure A-4  
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	Change 2019/20
Revenue:							
Program Revenue:							
Charges for Services	\$ 600,729	\$ 799,446	\$ 157,572	\$ 233,905	\$ 758,301	\$ 1,033,351	
Operating Grants and Contributions	7,717,059	7,693,843	120,212	147,777	7,837,271	7,841,620	
Capital Grants and Contributions		6,884				6,884	
General Revenue:							
Property Taxes	19,481,484	18,764,726			19,481,484	18,764,726	
Federal/State Aid	3,603,042	3,950,008			3,603,042	3,950,008	
Other	120,246	322,257	238	360	120,484	322,617	
Total Revenue	<u>31,522,560</u>	<u>31,537,164</u>	<u>278,022</u>	<u>382,042</u>	<u>31,800,582</u>	<u>31,919,206</u>	-0.37%
Expenses:							
Instruction	16,625,018	16,604,115			16,625,018	16,604,115	
Pupil and Instruction Services	7,748,993	8,707,052			7,748,993	8,707,052	
Administrative and Business	2,224,516	1,909,060			2,224,516	1,909,060	
Maintenance and Operations	2,410,823	2,467,074			2,410,823	2,467,074	
Transportation	1,951,991	1,754,849			1,951,991	1,754,849	
Other	3,940	17,357	380,364	383,737	384,304	401,094	
Total Expenses	<u>30,965,281</u>	<u>31,459,507</u>	<u>380,364</u>	<u>383,737</u>	<u>31,345,645</u>	<u>31,843,244</u>	-1.56%
Transfers	(10,000)	67,000	18,000		8,000	67,000	-737.50%
Increase/(Decrease) in Net Position	<u>\$ 547,279</u>	<u>\$ 144,657</u>	<u>\$ (84,342)</u>	<u>\$ (1,695)</u>	<u>\$ 462,937</u>	<u>\$ 142,962</u>	<u>223.82%</u>

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Figure A-5 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Maintaining existing programs and the provision of a multitude of special programs and services for disabled pupils places great demands on the District's resources. During the past few years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to offset increased enrollment, increased special education programs and increased health benefit costs.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions during the fiscal year were:

- Interlocal agreement with Ringwood Board of Education for transportation of students, vehicles, fuel and maintenance.
- Purchase of supplies and services through four different co-operative purchasing agreements specifically designed for school district cost savings.
- Participation in a multi-district insurance pool for all our school district insurance needs.
- Lakeland HS groundskeepers help maintain nearby Wanaque Borough fields in trade for our use of the Borough's fields for our sports activities.
- Lakeland shares the cost of our *Stronge* teacher evaluation system with several other districts, including one of our feeding districts, Ringwood.
- Tri-District professional development meetings are held with all three districts in the Lakeland Regional HS system in order to share costs. This includes Ringwood, Wanaque and Lakeland Regional HS.
- Lakeland strives to achieve lower facilities costs each year by seeking competitive proposals every year for various services or performing much of the work in house.

It is crucial that the District examine its expenses carefully. Figure A-5 presents the cost of six major District activities; instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**Governmental Activities**

**Figure A-5  
Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019/20</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2018/19</u>
Instruction	\$ 16,625,018	\$ 16,604,115	\$ 10,044,224	\$ 10,093,534
Pupil and Instruction Services	7,748,993	8,707,052	6,357,962	7,081,585
Administrative and Business	2,224,516	1,909,060	1,997,032	1,715,898
Maintenance and Operations	2,410,823	2,467,074	2,410,823	2,467,074
Transportation	1,951,991	1,754,849	1,833,512	1,583,886
Other	3,940	17,357	3,940	17,357
	<u>\$ 30,965,281</u>	<u>\$ 31,459,507</u>	<u>\$ 22,647,493</u>	<u>\$ 22,959,334</u>

**Business-Type Activities**

Net position from the District's business-type activities decreased by \$84,342. (Refer to Figure A-4).

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

The District's financial position declined due to significant changes in the student clientele and difficult economic times. The current economy has had a direct impact upon the District's revenue sources. Interest from investments continued to be negatively affected. Ratables in the municipalities overall have remained relatively stable the last few years as have the Towns' tax collection percentages.

These factors are likely to continue for the near future. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**General Fund Budgetary Highlights**

Over the course of the fiscal year, the District revised the annual operating budget monthly. Revisions in the budget were made to prevent over-expenditures in specific line item accounts. Some of these revisions bear notation.

- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires as well as program adjustments necessitated by student population changes.
- Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into and out of the District during the summer as well as the school year, which necessitates transferring funds to the appropriate account to pay these special education costs.
- Teachers' Pension and Annuity Fund, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements.

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**Capital Asset and Long-Term Liabilities Administration**

The District's capital assets (net of depreciation) increased by \$716,017, or 3.45%, from the previous fiscal year. During the 2019-2020 school year, District additions totaled \$1,385,911 which were offset by \$669,894 in depreciation. (More detailed information about the District's capital assets is presented in Note 7 to the Basic Financial Statements).

**Figure A-6  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	
Construction in Progress	\$ 12,842,728	\$ 11,774,632			\$ 12,842,728	\$ 11,774,632	
Site Improvements	2,099,301	2,279,876			2,099,301	2,279,876	
Buildings and Building Improvements	5,427,288	5,676,721			5,427,288	5,676,721	
Machinery and Equipment	1,053,965	977,301	\$24,198	\$22,933	1,078,163	1,000,234	
	<u>\$ 21,423,282</u>	<u>\$ 20,708,530</u>	<u>\$24,198</u>	<u>\$22,933</u>	<u>\$ 21,447,480</u>	<u>\$ 20,731,463</u>	<u>3.45%</u>

**Long-term Liabilities**

At fiscal year-end, the District had \$500,000 in general obligation bonds, a reduction of \$270,000 from last fiscal year – as shown in Figure A-7. More detailed information about the District's long-term liabilities is presented in Note 8 to the Basic Financial Statements.

**Figure A-7  
Outstanding Long-Term Liabilities**

	Total School District		Percentage Change
	2019/20	2018/19	
General Obligation Bonds (Financed with Property Taxes)	\$ 500,000	\$ 770,000	
Net Pension Liability	6,827,850	7,141,950	
Other Long-Term Liabilities	548,146	634,832	
	<u>\$ 7,875,996</u>	<u>\$ 8,546,782</u>	<u>-7.85%</u>

**LAKELAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)**

**Factors Bearing on the District's Future Revenue/Expense Changes**

The housing market is stable with no dramatic shifts in inventory, and housing costs also remaining stable.

Funding for education in the State of New Jersey has suddenly become very different for all districts across the Board. Many districts have experienced dramatic cuts in State Aid, particularly Lakeland Regional HS. The level of State Aid that we have received for a full decade, hovering around \$4.9 million per year, will be reduced to \$2 million by 2024-25. At the same time, many other districts, statewide, are receiving State Aid increases. All of this has come from a re-distribution of State Aid according to the changes in enrollment amongst the 600+ districts statewide throughout New Jersey.

The number of students that are classified as Special Education has continued to rise at Lakeland Regional High School. In several prior years, Lakeland inherited a few very costly individual cases that drove the Special Education budget upward. This particular dynamic, coupled with an increasing demand for services and the increasing frequency of litigation to face requests for unnecessary services, has forced Lakeland as well as all districts to place higher scrutiny on how to achieve impactful and compliant results in a cost-efficient manner.

The District's Health Benefit costs have been relatively stable over the past couple of years.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator at the Lakeland Regional High School Board of Education, 205 Conklintown Road, Wanaque, NJ 07456.



**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,819,206	\$ 4,058	\$ 1,823,264
Interfunds Receivable	8,000		8,000
Internal Balances	(301)	301	
Receivables from Other Governments	992,717	3,815	996,532
Other Receivables	25,072		25,072
Inventory		13,912	13,912
Restricted Cash and Cash Equivalents:			
Capital Reserve	834,035		834,035
Maintenance Reserve	1,307,337		1,307,337
Capital Assets:			
Construction in Progress	12,842,728		12,842,728
Depreciable Site Improvements, Buildings and Building Improvements, and Machinery, Furniture and Equipment	8,580,554	24,198	8,604,752
Total Assets	<u>26,409,348</u>	<u>46,284</u>	<u>26,455,632</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	<u>2,024,810</u>		<u>2,024,810</u>
Total Deferred Outflows of Resources	<u>2,024,810</u>		<u>2,024,810</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	554,442	3,244	557,686
Accrued Interest Payable	12,405		12,405
Unearned Revenue	9,607		9,607
Noncurrent Liabilities:			
Due Within One Year	394,781		394,781
Due Beyond one Year	7,481,215		7,481,215
Total Liabilities	<u>8,452,450</u>	<u>3,244</u>	<u>8,455,694</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	<u>2,617,626</u>		<u>2,617,626</u>
Total Deferred Inflows of Resources	<u>2,617,626</u>		<u>2,617,626</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,923,282	24,198	20,947,480
Restricted for:			
Capital Projects	961,869		961,869
Maintenance Reserve	1,307,337		1,307,337
Unrestricted/(Deficit)	<u>(5,828,406)</u>	<u>18,842</u>	<u>(5,809,564)</u>
Total Net Position	<u>\$ 17,364,082</u>	<u>\$ 43,040</u>	<u>\$ 17,407,122</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 10,850,716	\$ 588,533	\$ 2,918,549		\$ (7,343,634)		\$ (7,343,634)
Special Education	4,109,473		2,709,792		(1,399,681)		(1,399,681)
Other Instruction	1,664,829		363,920		(1,300,909)		(1,300,909)
Support Services:							
Tuition	2,873,570		224,894		(2,648,676)		(2,648,676)
Student & Instruction Related Services	4,875,423		1,166,137		(3,709,286)		(3,709,286)
General Administrative Services	777,699				(777,699)		(777,699)
School Administrative Services	919,103		227,484		(691,619)		(691,619)
Central Services	406,302				(406,302)		(406,302)
Administration Information Technology	121,412				(121,412)		(121,412)
Plant Operations and Maintenance	2,410,823				(2,410,823)		(2,410,823)
Pupil Transportation	1,951,991	12,196	106,283		(1,833,512)		(1,833,512)
Interest on Long-Term Debt	3,940				(3,940)		(3,940)
Total Governmental Activities	30,965,281	600,729	7,717,059		(22,647,493)		(22,647,493)

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 380,364	\$ 157,572	\$ 120,212		\$ (102,580)	\$ (102,580)	\$ (102,580)
Total Business-Type Activities	380,364	157,572	120,212		(102,580)	(102,580)	(102,580)
Total Primary Government	\$ 31,345,645	\$ 758,301	\$ 7,837,271	\$ -0-	\$ (22,647,493)	(102,580)	(22,750,073)
General Revenues and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					19,181,759		19,181,759
Taxes Levied for Debt Service					299,725		299,725
Federal and State Aid not Restricted					3,603,042		3,603,042
Interest and Miscellaneous Revenue					120,246	238	120,484
Transfers					(10,000)	18,000	8,000
Total General Revenues and Transfers					23,194,772	18,238	23,213,010
Change in Net Position					547,279	(84,342)	462,937
Net Position - Beginning					16,816,803	127,382	16,944,185
Net Position - Ending					\$ 17,364,082	\$ 43,040	\$ 17,407,122

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**FUND FINANCIAL STATEMENTS**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,304,136		\$ 340,345	\$ 1,644,481
Interfunds Receivable	92,460			92,460
Receivables from State Government	898,650			898,650
Receivables from Federal Government		\$ 94,067		94,067
Other Receivables	25,072			25,072
Restricted Cash and Cash Equivalents	2,141,372			2,141,372
Total Assets	\$ 4,461,690	\$ 94,067	\$ 340,345	\$ 4,896,102
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Interfund Payable	1,554,252	\$ 84,460		\$ 1,638,712
Unearned Revenue		9,607		9,607
Total Liabilities	1,554,252	94,067		1,648,319
Fund Balances:				
Restricted for:				
Capital Reserve Account	834,035			834,035
Maintenance Reserve Account	1,307,337			1,307,337
Capital Projects			\$ 127,834	127,834
Committed			212,511	212,511
Assigned:				
Encumbrances	106,614			106,614
Unassigned	659,452			659,452
Total Fund Balances	2,907,438		340,345	3,247,783
Total Liabilities and Fund Balances	\$ 4,461,690	\$ 94,067	\$ 340,345	\$ 4,896,102
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are Different Because:				
Total Fund Balances (Per Above)				\$ 3,247,783
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.				21,423,282
Internal service funds are used by management to charge the costs of transportation to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.				1,697,906
Long-Term Liabilities, Including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.				(1,026,861)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.				(12,405)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.				(6,827,850)
Certain amounts related to the Net Pension Liability and Deferred Items in the Statement of Activities are not reported in the Governmental Funds:				
Deferred Outflows Related to Pensions, Excluding District Contribution Subsequent to the Measurement Date				1,501,138
Deferred Inflows Related to Pensions				(2,617,626)
Bond Issuance Premiums are reported as revenue in the Funds. These premiums total \$255,426 and the accumulated amortization is \$234,141				(21,285)
Net Position of Governmental Activities				\$ 17,364,082

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 19,181,759			\$ 299,725	\$ 19,481,484
Tuition Charges	588,533				588,533
Miscellaneous	119,071	\$ 4,300			123,371
Total - Local Sources	19,889,363	4,300		299,725	20,193,388
State Sources	8,584,997	39,565			8,624,562
Federal Sources	26,045	330,246			356,291
Total Revenues	28,500,405	374,111		299,725	29,174,241
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	6,227,387	43,865			6,271,252
Special Education Instruction	2,316,373	76,555			2,392,928
Other Instruction	1,089,457				1,089,457
Support Services and Undistributed Costs:					
Tuition	2,648,676	224,894			2,873,570
Student & Instruction Related Services	3,046,998	28,797			3,075,795
General Administrative Services	693,068				693,068
School Administrative Services	551,399				551,399
Central Services	330,831				330,831
Administration Information Technology	113,147				113,147
Plant Operations and Maintenance	1,706,680				1,706,680
Pupil Transportation	2,432,203				2,432,203
Unallocated Benefits	7,253,680				7,253,680
Debt Service:					
Principal				270,000	270,000
Interest and Other Charges				29,725	29,725
Capital Outlay	45,126		\$ 1,068,096		1,113,222
Total Expenditures	28,455,025	374,111	1,068,096	299,725	30,196,957
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	45,380		(1,068,096)		(1,022,716)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Transfers In	8,000		799,155		807,155
Transfers Out	(817,155)				(817,155)
Total Other Financing Sources/(Uses)	(809,155)		799,155		(10,000)
Net Change in Fund Balances	(763,775)		(268,941)		(1,032,716)
Fund Balance - July 1	3,671,213	-0-	609,286	-0-	4,280,499
Fund Balance - June 30	\$ 2,907,438	\$ -0-	\$ 340,345	\$ -0-	\$ 3,247,783

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total net change in fund balances - governmental funds (from B-2) \$ (1,032,716)

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

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

	Depreciation expense	\$ (667,059)	
	Capital outlays	<u>1,381,811</u>	714,752

The governmental funds report the effect of bond issuance premiums when debt is first issued, issued, whereas these amounts are deferred and amortized in the statement of activities (+) 21,285

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 353,561

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. 6,328

Internal service funds are used by management to charge the costs of transportation to individual funds. The revenue and expenses are netted with governmental activities and are included in governmental activities in the statement of net position. 609,473

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability		314,100	
Change in Deferred Outflows		(424,438)	
Change in Deferred Inflows		3,094	

In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (18,160)

Change in net position of governmental activities \$ 547,279

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund Transportation
<b>ASSETS:</b>		
Current Assets:		
Cash and Cash Equivalents	\$      4,058	\$     174,725
Accounts Receivable:		
Interfund	301	1,553,951
Other Governments	3,815	
Inventories	13,912	
Total Current Assets	22,086	1,728,676
Non-Current Assets:		
Capital Assets	106,865	2,234,552
Less: Accumulated Depreciation	(82,667)	(1,684,476)
Total Non-Current Assets	24,198	550,076
Total Assets	46,284	2,278,752
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable	3,244	30,770
Total Current Liabilities	3,244	30,770
Total Liabilities	3,244	30,770
<b>NET POSITION:</b>		
Investment in Capital Assets	24,198	550,076
Unrestricted	18,842	1,697,906
Total Net Position	\$     43,040	\$     2,247,982

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Food Service	Transportation
Operating Revenue:		
Charges for Services:		
Daily Sales:		
Reimbursable Programs	\$ 105,299	
Non-Reimbursable Programs	42,776	
Total Daily Sales	148,075	
Special Events	9,497	
Charges and Fees		\$ 1,566,147
Total Operating Revenue	157,572	1,566,147
Operating Expenses:		
Cost of Sales		
Reimbursable Programs	84,051	
Non-Reimbursable Programs	41,725	
Total Cost of Sales	125,776	
Salaries	235,661	
Contracted Services		500,433
Aid in Lieu		44,838
General Supplies	16,092	
Miscellaneous		145,004
Depreciation Expense	2,835	139,914
Total Operating Expenses	380,364	830,189
Operating Income/(Loss)	(222,792)	735,958
Non-Operating Revenue:		
Federal Sources:		
School Breakfast Program	23,812	
School Breakfast Program - Seamless Summer Option	6,480	
National School Lunch Program	60,775	
National School Lunch Program - Seamless Summer Option	12,257	
Food Distribution Program	13,926	
State Sources:		
School Lunch Program	2,028	
School Lunch Program - Seamless Summer Option	193	
School Lunch Program - Supplemental	741	
Local Sources - Interest Revenue	238	1,175
Total Non-Operating Revenue	120,450	1,175
Change in Net Position Before Transfer	(102,342)	737,133
Transfer In - General Fund	18,000	
Change in Net Position	(84,342)	737,133
Net Position - Beginning of Year	127,382	1,510,849
Net Position - End of Year	\$ 43,040	\$ 2,247,982

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 157,572	\$ 841,196
Payments to Employees	(217,962)	
Payments to Suppliers	(125,617)	(679,271)
Net Cash Provided by/(Used for) Operating Activities	(186,007)	161,925
Cash Flows from Capital Financing Activities:		
Acquisition of Capital Assets	(4,100)	(267,574)
Net Cash Used for Capital Financing Activities	(4,100)	(267,574)
Cash Flows from Noncapital Financing Activities:		
State Sources	2,403	
Federal Sources	110,539	
Net Cash Provided by Noncapital Financing Activities	112,942	
Cash Flows from Investing Activities:		
Interest Revenue	238	1,175
Net Cash Provided by Investing Activities	238	1,175
Net Decrease in Cash and Cash Equivalents	(76,927)	(104,474)
Cash and Cash Equivalents, July 1	80,985	279,199
Cash and Cash Equivalents, June 30	\$ 4,058	\$ 174,725
Reconciliation of Operating Income/(Loss) to		
Net Cash Provided by/(Used for) Operating Activities:		
Operating Income/(Loss)	\$ (222,792)	\$ 735,958
Adjustment to Reconcile Operating Income/(Loss) to		
Net Cash Provided by/(Used for) Operating Activities:		
Depreciation	2,835	139,914
Federal Food Distribution Program	13,926	
Changes in Assets and Liabilities:		
(Increase) in Interfund Receivable		(724,951)
(Increase) in Inventory	(919)	
Increase in Accounts Payable	3,244	11,004
Increase in Interfund Payable	17,699	
Net Cash Provided by/(Used for) Operating Activities	\$ (186,007)	\$ 161,925

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$13,926 for the fiscal year ended June 30, 2020.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2020

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 181,667	\$ 672,733	\$ 11,501
Total Assets	<u>181,667</u>	<u>672,733</u>	<u>11,501</u>
 <b>LIABILITIES:</b>			
Interfund Payable - General Fund			8,000
Payroll Deductions and Withholdings	16,262		
Due to Student Groups	<u>165,405</u>		
Total Liabilities	<u>181,667</u>	<u>-0-</u>	<u>8,000</u>
 <b>NET POSITION:</b>			
Held in Trust for:			
Unemployment Compensation Claims		672,733	
Flexible Spending Claims			<u>3,501</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 672,733</u>	<u>\$ 3,501</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Plan Member	\$ 43,747	\$ 8,550
Employer		8,550
Total Contributions	<u>43,747</u>	<u>17,100</u>
Investment Earnings:		
Interest	<u>2,512</u>	<u>162</u>
Net Investment Earnings	<u>2,512</u>	<u>162</u>
Total Additions	<u>46,259</u>	<u>17,262</u>
DEDUCTIONS:		
Unemployment Compensation Claims	38,473	
Flexible Spending Claims		<u>8,941</u>
Total Deductions	<u>38,473</u>	<u>8,941</u>
Change in Net Position Before Transfer	7,786	8,321
Transfer to General Fund		<u>(8,000)</u>
Change in Net Position After Transfer	7,786	321
Net Position - Beginning of the Year	<u>664,947</u>	<u>3,180</u>
Net Position - End of the Year	<u>\$ 672,733</u>	<u>\$ 3,501</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Lakeland Regional High School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes 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.



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (Cont'd)

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed 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 expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary funds:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Internal Service Fund: The Internal Service Fund accounts for all revenue and expenses pertaining to the Board's transportation operations. The internal service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities, Payroll Agency, Unemployment Compensation Insurance Trust and Flexible Spending Trust Funds.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting:

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the fiscal year).

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current fiscal year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. These grants are recognized on the budgetary basis in full when they are awarded but recognized on the GAAP basis only to the extent of expenditures which have been submitted for reimbursement.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 28,477,419	\$ 375,623
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis Does Not:		
Prior Year Encumbrances		190
Cancellation of Prior Year Encumbrances		(190)
Current Year Encumbrances		(1,512)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	434,189	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(411,203)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 28,500,405	\$ 374,111

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 28,455,025	\$ 375,623
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for GAAP Reporting Purposes.		
Prior Year Encumbrances		190
Prior Year Encumbrances Canceled		(190)
Current Year Encumbrances		(1,512)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 28,455,025</u>	<u>\$ 374,111</u>

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 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 a loss of funds on deposit with a failed banking institution in New Jersey.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments: (Cont'd)

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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. 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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed and/or 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 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.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

I. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the fiscal year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

J. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	45 years
Site Improvements	20 years
Machinery, Furniture, and Equipment	10 to 15 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

K. Short-Term Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

L. Long-Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2020.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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 amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent fiscal years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$2,907,438 General Fund balance at June 30, 2020, \$834,035 is restricted in the capital reserve account; \$1,307,337 is restricted in the maintenance reserve account; \$106,614 is assigned for encumbrances; and \$659,452 is unassigned which is \$411,203 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the final two state aid payments which are not recognized until the fiscal year ended June 30, 2021.

Capital Projects Fund: Of the \$340,345 Capital Projects Fund balance at June 30, 2020, \$127,834 is restricted and \$212,511 is committed fund balance.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District has no excess surplus at June 30, 2020.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$411,203 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 payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the fiscal year the State records the payable.

The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned. Fund balance restrictions have been established for capital reserve, maintenance reserve and capital projects at June 30, 2020.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources for capital projects at June 30, 2020.



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances in the General Fund at June 30, 2020.

R. Deficit Net Position:

The \$5,828,406 deficit in unrestricted net position for the governmental activities at June 30, 2020 is primarily due to the non-recognition of the June state aid payments as explained in Note 1P on the previous page, unamortized bond premiums, the accrual of compensated absences and interest payable, deferred inflows of resources related to pensions and net pension liability, offset by deferred outflows of resources related to pensions, excluding District contribution subsequent to the measurement date, and Governmental Funds unassigned, committed and assigned fund balances. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2020 related to pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2020 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

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

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4);
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments (Cont'd)

New Jersey statutes permit the Board to purchase the following types of securities: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2020, cash and cash equivalents of the District consisted of the following:

	<u>Unrestricted</u>	<u>Restricted</u>		<u>Total</u>
		<u>Capital Reserve Account</u>	<u>Maintenance Reserve Account</u>	
Checking Accounts	<u>\$ 2,689,165</u>	<u>\$ 834,035</u>	<u>\$ 1,307,337</u>	<u>\$ 4,830,537</u>

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2020 was \$4,830,537 and the bank balance was \$5,297,851.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution by inclusion of \$1 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, 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 fiscal year end of any unanticipated revenue or unexpended line item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to 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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 1,202,904
Interest Earnings	1,000
Increase per Board Resolution	459,182
Budgeted Withdrawal	(29,896)
Withdrawal per Board Resolution	<u>(799,155)</u>
Ending Balance, June 30, 2020	<u>\$ 834,035</u>

The balance in the capital reserve account at June 30, 2020 does not exceed the balance of local support costs of uncompleted capital projects in the District's LRFP. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$311,294 was established by Board resolution on June 23, 2008. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be reserved and designated in the subsequent fiscal year's budget. 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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 836,512
Interest Earnings	1,000
Unexpended Funds Returned	15,113
Increase per Board Resolution	909,424
Budgeted Withdrawal	<u>(454,712)</u>
Ending Balance, June 30, 2020	<u>\$ 1,307,337</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2020, the District transferred \$- 0 - to the capital outlay accounts.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2020 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress	\$11,774,632	\$ 1,068,096		\$12,842,728
Total Capital Assets Not Being Depreciated	<u>11,774,632</u>	<u>1,068,096</u>	<u>\$ -0-</u>	<u>12,842,728</u>
Capital Assets Being Depreciated:				
Site Improvements	3,632,780			3,632,780
Buildings and Building Improvements	12,049,014			12,049,014
Machinery and Equipment	3,934,663	313,715		4,248,378
Total Capital Assets Being Depreciated	<u>19,616,457</u>	<u>313,715</u>	<u>-0-</u>	<u>19,930,172</u>
Governmental Activities Capital Assets	<u>31,391,089</u>	<u>1,381,811</u>	<u>-0-</u>	<u>32,772,900</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,352,904)	(180,575)		(1,533,479)
Buildings and Building Improvements	(6,372,293)	(249,433)		(6,621,726)
Machinery and Equipment	(2,957,362)	(237,051)		(3,194,413)
	<u>(10,682,559)</u>	<u>(667,059)</u>	<u>-0-</u>	<u>(11,349,618)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$20,708,530</u>	<u>\$ 714,752</u>	<u>\$ -0-</u>	<u>\$21,423,282</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Equipment and Furniture	\$ 102,765	\$ 4,100		\$ 106,865
Less Accumulated Depreciation	(79,832)	(2,835)		(82,667)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 22,933</u>	<u>\$ 1,265</u>	<u>\$ -0-</u>	<u>\$ 24,198</u>

The increases totaling \$1,385,911 represent current fiscal year capitalized expenditures of \$1,068,096 construction in progress in the capital projects fund, \$313,715 in the general fund and \$4,100 in the food service enterprise fund. At June 30, 2020, the District had active construction projects totaling \$340,345. Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 57,495
Student and Instruction Related Services	7,384
Operations and Maintenance of Plant	462,266
Student Transportation	<u>139,914</u>
	<u>\$667,059</u>

Capital Assets of the Internal Service Fund are included as Governmental Activities in the district-wide financial statements.



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Balance</u> <u>6/30/2019</u>	<u>Issued/</u> <u>Accrued</u>	<u>Retired/</u> <u>Defeased</u>	<u>Balance</u> <u>6/30/2020</u>
Serial Bonds Payable	\$ 770,000		\$ 270,000	\$ 500,000
Unamortized Bond Premium	42,570		21,285	21,285
Net Pension Liability	7,141,950		314,100	6,827,850
Compensated Absences Payable	417,828	\$ 21,130	2,970	435,988
Early Retirement Incentive	174,434		83,561	90,873
	<u>\$ 8,546,782</u>	<u>\$ 21,130</u>	<u>\$ 691,916</u>	<u>\$ 7,875,996</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the Debt Service Fund.

The District had serial bonds outstanding as of June 30, 2020 as follows:

<u>Purpose</u>	<u>Maturity</u> <u>Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding Bonds	8/1/2021	4.50%-5.00%	<u>\$ 500,000</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 270,000	\$ 17,575	\$ 287,575
2022	230,000	5,750	235,750
	<u>\$ 500,000</u>	<u>\$ 23,325</u>	<u>\$ 523,325</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2020, the Board had no bonds authorized but not issued.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

C. Capital Leases Payable:

The District had no capital leases at June 30, 2020.

D. Early Retirement Incentive Program (ERIP):

Principal and interest due, at 8.75% financing, for ERIP is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	<u>\$ 90,873</u>	<u>\$ 7,951</u>	<u>\$ 98,824</u>

The ERIP liability is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The ERIP payable at June 30, 2020 of \$90,873 is a current liability.

E. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of compensated absences payable at June 30, 2020 is \$12,623 and the long-term portion is \$423,365.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, no liability existed for compensated absences in the Food Service Fund.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$6,827,850. See Note 9 for further information on the PERS.

G. Unamortized Bond Issuance Premiums:

The liability for unamortized bond issuance premiums of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The unamortized bond issuance premiums at June 30, 2020 of \$21,285 is a current liability.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: The Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

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 the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. District contributions to PERS amounted to \$370,642 for 2020.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a liability of \$6,827,850 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.0379%, which was an increase of 0.0016% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized actual pension expense in the amount of \$475,840. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following page.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 18,045	
	2015	5.72	111,574	
	2016	5.57	552,167	
	2017	5.48		\$ 980,163
	2018	5.63		792,061
	2019	5.21		597,701
			<u>681,786</u>	<u>2,369,925</u>
Change in Proportion	2014	6.44	7,792	
	2015	5.72		83,788
	2016	5.57	155,862	
	2017	5.48	236,497	
	2018	5.63		25,971
	2019	5.21	296,650	
			<u>696,801</u>	<u>109,759</u>
Difference Between Expected and Actual Experience:	2015	5.72	30,956	
	2016	5.57	16,757	
	2017	5.48	29,150	
	2018	5.63		30,162
	2019	5.21	45,688	
			<u>122,551</u>	<u>30,162</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		(126,023)
	2017	5.00		151,236
	2018	5.00		105,197
	2019	5.00		(22,630)
				<u>107,780</u>
District Contribution Subsequent to the Measurement Date	2019	1.00	<u>523,672</u>	
			<u>\$ 2,024,810</u>	<u>\$ 2,617,626</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2020	\$ (197,157)
2021	(639,574)
2022	(571,102)
2023	(268,162)
2024	(27,535)
	\$ (1,703,530)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) 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 PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 8,624,826	\$ 6,827,850	\$ 5,313,851

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 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



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$1,895,623 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,225,611.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$54,687,442. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.0891%, which was a decrease of 0.0025% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		54,687,442
Total	\$	54,687,442

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$3,225,611 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
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NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 768,874,621	
	2015	8.30	2,351,172,865	
	2016	8.30	5,609,216,856	
	2017	8.30		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
Difference Between Expected and Actual Experience	2014	8.50		7,323,009
	2015	8.30	145,211,243	
	2016	8.30		69,755,412
	2017	8.30	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5		(431,855,192)
	2017	5		452,016,524
	2018	5		288,091,115
	2019	5		(144,882,771)
			<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Total Thereafter	<u>(2,402,153,865)</u>
	<u>\$ (7,607,077,817)</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the table on the following page.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount 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 70% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The table on the following page presents the net pension liability of the State as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the State's 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.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate  
(Cont'd)

	June 30, 2019		
	1%	Current	1%
	Decrease (4.60%)	Discount Rate (5.60%)	Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 64,488,598	\$ 54,687,442	\$ 46,555,577

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$5,867 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$10,757 for the fiscal year ended June 30, 2020.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
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NOTE 10. RISK MANAGEMENT

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

Property, Liability and Health Benefits

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. The District is a member of a joint insurance fund for workers' compensation insurance. Health benefits are provided to employees through Horizon Blue Cross Blue Shield.

The Lakeland Regional High School District is a member of the Pooled Insurance Program of New Jersey (the "PIP"). The PIP provides the District with workers' compensation insurance. The PIP is a risk-sharing public entity risk pool that is an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the PIP are elected.

As a member of the PIP, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the PIP were to be exhausted, members would become responsible for their respective shares of the PIP's liabilities.

The PIP can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with requirements of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The June 30, 2020 audit report for the PIP is not available as of the date of this report. Selected, summarized financial information for the PIP as of June 30, 2019 is as follows:

Total Assets	<u>\$ 20,888,033</u>
Net Position	<u>\$ 8,932,828</u>
Total Revenue	<u>\$ 7,954,404</u>
Total Expenses and Adjustments	<u>\$ 7,605,614</u>
Member Dividends	<u>\$ 1,150,834</u>
Change in Net Position	<u>\$ (802,044)</u>

Financial statements for the PIP are available at the Executive Director's Office:

Burton Agency  
44 Bergen Street  
PO Box 270  
Westwood, NJ 07675  
(201) 664-0310

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

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 District contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ -0-	\$ 43,747	\$ 2,512	\$ 38,473	\$ 672,733
2018-2019	-0-	35,916	2,623	38,527	664,947
2017-2018	-0-	35,078	2,661	41,349	664,935

NOTE 11. COMMITMENTS AND CONTINGENCIES

The Board is periodically involved in lawsuits arising in the normal course of business, including claims regarding special education, disputes over contract awards and performance, and employment matters. The Board does not believe that the ultimate outcome of these cases will have a material negative effect on the District’s financial position.

The District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the District is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

Encumbrances

At June 30, 2020, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>Governmental Funds</u>			
<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<u>\$ 106,614</u>	<u>\$ 1,512</u>	<u>\$ 69,750</u>	<u>\$ 177,876</u>

On the District’s Governmental Funds Balance Sheet as of June 30, 2020, no amount is assigned for encumbrances in the Special Revenue Fund since encumbrances are not recognized on the GAAP basis until they are paid. Actual encumbrances of \$1,512 on the budgetary basis are instead reflected as either a reduction of grants receivable or an increase in unearned revenue on the GAAP basis in the Special Revenue Fund. The \$69,750 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$212,511 committed fund balance on the GAAP and budgetary basis at June 30, 2020.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 12. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

NOTE 13. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund balances existed as of June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 92,460	\$ 1,554,252
Special Revenue Fund		84,460
Food Service Enterprise Fund	301	
Transportation Internal Services Fund	1,553,951	
Fiduciary Fund - Flexible Spending Trust		8,000
	<u>\$1,646,712</u>	<u>\$1,646,712</u>

The interfund payable in the Special Revenue Fund is an interfund loan due to the General Fund. The interfund receivable in the Transportation Internal Service Fund due from the General Fund is for the District's portion of expenditures. The interfund payable in the Fiduciary Fund is due to the General Fund for Flexible Spending Trust unexpended balances and funding in advance of employee contributions.

During the fiscal year, the General Fund transferred \$799,155 to the Capital Projects Fund for the local share of capital projects.

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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:

<u>403b</u>	
Equitable Life Assurance	Metropolitan Life Insurance Company
Variable Annuity Life Insurance Company	
<u>457</u>	
Equitable Life Assurance	



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 15. TAX CALENDAR

Property taxes are levied by the District's constituent municipalities as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the School Districts on a predetermined mutually agreed-upon schedule.

NOTE 16. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2020:

	<u>Internal Service Fund Transportation</u>	<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Funds</u>
Vendors	\$ 30,770		\$ 30,770	\$ 3,244
Due to:				
State of New Jersey		\$ 523,672	523,672	
	<u>\$ 30,770</u>	<u>\$ 523,672</u>	<u>\$ 554,442</u>	<u>\$ 3,244</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education 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 GASB Codification Section P50. The State Health Benefits 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 years or more 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.

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, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Employees Covered by Benefit Terms

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	217,131
Total	362,181

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, 2016, which was rolled forward to June 30, 2017.

Actuarial Assumptions and Other Inputs

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.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15%
	based on years of service	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%
	based on years of service	based on age

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 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

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

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Mortality Rates

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using scale MP-2017. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The assumed Medicare Advantage trend rate is 4.5% in all future years.

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively, a change of +.29%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	Total OPEB Liability
Balance at June 30, 2017	\$ 44,567,755
Changes for Year:	
Service Cost	\$ 1,641,085
Interest Cost	1,636,860
Difference Between Expected and Actual Experience	(4,477,224)
Changes in Assumptions	(4,363,386)
Member Contributions	35,140
Gross Benefit Payments	(1,016,735)
Net Changes	(6,544,260)
Balance at June 30, 2018	\$ 38,023,495

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018 calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 44,951,511	\$ 38,023,495	\$ 32,516,437

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018 calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 31,428,633	\$ 38,023,495	\$ 46,745,452

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$1,720,806 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB  
(Cont'd)

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018, the State deferred outflows of resources and deferred inflows of resources related to OPEB attributable to the District is from the following sources:

	Year of Deferral	Original Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54 years		\$ (4,618,595)
Changes in Assumptions	2018	9.51 years		(3,904,566)
				(8,523,161)
Difference Between Expected and Actual Experience	2018	9.51 years		(3,691,029)
Changes in Proportion	N/A	N/A		(338,864)
			<u>\$ - 0 -</u>	<u>\$ (12,553,054)</u>

N/A - Not Available

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB attributable to the District, excluding changes in proportion, will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2019	\$ (1,505,095)
2020	(1,505,095)
2021	(1,505,095)
2022	(1,505,095)
2023	(1,505,095)
Total Thereafter	(4,688,715)
	<u>\$ (12,214,190)</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 18. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. The District's state aid in the General Fund was reduced after their budget was adopted due to the reduction of state aid provided to certain school districts by the State of New Jersey. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District's 2020-21 budget related to COVID-19.

Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Food Service Enterprise Fund will likely be impacted by COVID-19 for the fiscal year ending June 30, 2021 as it is expected that the number of meals served will significantly decrease during the school year as a result of the pandemic.

**SCHEDULES OF  
REQUIRED SUPPLEMENTARY INFORMATION**



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0347285309%	0.0312705659%	0.0340545773%	0.0364514769%	0.0362728834%
District's proportionate share of the net pension liability	\$ 6,502,131	\$ 7,019,615	\$ 10,085,989	\$ 8,485,321	\$ 7,141,950
District's covered employee payroll	\$ 2,241,542	\$ 2,230,075	\$ 2,451,716	\$ 2,467,539	\$ 2,633,078
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	290.07%	314.77%	411.38%	343.88%	271.24%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%
	<u>Fiscal Year Ending June 30, 2020</u>				
District's proportion of the net pension liability	0.0378935890%				
District's proportionate share of the net pension liability	\$ 6,827,850				
District's covered employee payroll	\$ 2,639,360				
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	258.69%				
Plan fiduciary net position as a percentage of the total pension liability	56.27%				

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 286,297	\$ 268,843	\$ 307,023	\$ 346,828	\$ 362,695
Contributions in relation to the contractually required contribution	<u>(286,297)</u>	<u>(268,843)</u>	<u>(307,023)</u>	<u>(346,828)</u>	<u>(362,695)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,230,075	\$ 2,451,716	\$ 2,467,539	\$ 2,633,078	\$ 2,639,360
Contributions as a percentage of covered employee payroll	12.84%	10.97%	12.44%	13.17%	13.74%
	<u>Fiscal Year</u> <u>Ending June 30,</u> <u>2020</u>				
Contractually required contribution	\$ 370,642				
Contributions in relation to the contractually required contribution	<u>(370,642)</u>				
Contribution deficiency/(excess)	<u>\$ -0-</u>				
District's covered employee payroll	\$ 2,891,573				
Contributions as a percentage of covered employee payroll	12.82%				

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's proportion of the net pension liability attributable to the District	0.0918273103%	0.0907408043%	0.0892348198%	0.0906021095%	0.0916212975%
State's proportionate share of the net pension liability attributable to the District	\$ 49,078,709	\$ 57,352,063	\$ 70,197,791	\$ 61,087,209	\$ 58,287,501
District's covered employee payroll	\$ 8,749,635	\$ 9,192,526	\$ 9,326,909	\$ 9,495,694	\$ 9,501,844
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	560.92%	623.90%	752.64%	643.31%	613.43%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%
	<u>Fiscal Year</u> <u>Ending June 30,</u> <u>2020</u>				
State's proportion of the net pension liability attributable to the District	0.0891096635%				
State's proportionate share of the net pension liability attributable to the District	\$ 54,687,442				
District's covered employee payroll	\$ 9,898,252				
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	552.50%				
Plan fiduciary net position as a percentage of the total pension liability	26.95%				

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 2,640,895	\$ 3,501,860	\$ 5,274,387	\$ 4,231,813	\$ 3,397,957
Contributions in relation to the contractually required contribution	<u>(490,578)</u>	<u>(714,449)</u>	<u>(983,462)</u>	<u>(1,349,258)</u>	<u>(1,752,571)</u>
Contribution deficiency/(excess)	<u>\$ 2,150,317</u>	<u>\$ 2,787,411</u>	<u>\$ 4,290,925</u>	<u>\$ 2,882,555</u>	<u>\$ 1,645,386</u>
District's covered employee payroll	\$ 9,192,526	\$ 9,326,909	\$ 9,495,694	\$ 9,501,844	\$ 9,898,252
Contributions as a percentage of covered employee payroll	5.34%	7.66%	10.36%	14.20%	17.71%
	Fiscal Year Ending June 30, <u>2020</u>				
Contractually required contribution	\$ 3,225,611				
Contributions in relation to the contractually required contribution	<u>(1,895,623)</u>				
Contribution deficiency/(excess)	<u>\$ 1,329,988</u>				
District's covered employee payroll	\$ 9,604,070				
Contributions as a percentage of covered employee payroll	19.74%				

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LAKELAND REGIONAL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL  
OPEB LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS  
LAST TWO FISCAL YEARS

	Fiscal Year Ending June 30,	
	2018	2017
Total OPEB Liability		
Service Cost	\$ 1,641,085	\$ 1,971,758
Interest Cost	1,636,860	1,411,689
Difference Between Expected and Actual Experience	(4,477,224)	
Changes in Assumptions	(4,363,386)	(5,876,261)
Member Contributions	35,140	38,011
Gross Benefit Payments	(1,016,735)	(1,032,284)
Net Change in Total OPEB Liability	(6,544,260)	(3,487,087)
Total OPEB Liability - Beginning	44,567,755	48,054,842
Total OPEB Liability - Ending	\$ 38,023,495	\$ 44,567,755
District's Covered Employee Payroll *	\$ 11,963,233	\$ 11,778,625
Total OPEB Liability as a Percentage of Covered Employee Payroll	318%	378%

\* - Covered payroll for the fiscal years ending June 30, 2018 and 2017 is based on the payroll on the June 30, 2017 and 2016 census data, respectively.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

	As of June 30,	
	2019	2018
Discount Rate	6.28%	5.66%
Municipal Bond Rate	3.50%	3.87%
Inflation Rate		2.25%
Inflation Rate:		
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026 Based on Age		1.65% - 4.15%
Through 2026 Based on Years of Service	2.00% - 6.00%	
Thereafter Based on Age		2.65% - 5.15%
Thereafter Based on Years of Service	3.00% - 7.00%	

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the plan actuary's modified MP-2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

	As of June 30,	
	2019	2018
Discount Rate	5.60%	4.86%
Municipal Bond Rate	3.50%	3.87%
Inflation Rate		2.25%
Inflation Rate:		
Price	2.75%	
Wage	3.25%	
Salary Increases:		
2011 - 2026 Based on Age		1.55% - 4.55%
Through 2026 Based on Years of Service	1.55% - 4.45%	
Thereafter Based on Age		2.00% - 5.45%
Thereafter Based on Years of Service	2.75% - 5.65%	

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates utilized in the June 30, 2017 valuation were as follows: 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 scale MP-2017. 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 scale MP-2017. 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 scale MP-2017.

The mortality rates utilized in the June 30, 2018 valuation were as follows: Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using scale MP-2017. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017.

The health care trend rates utilized in the June 30, 2017 valuation were as follows: For pre-Medicare preferred provider organization (PPO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates utilized in the June 30, 2018 valuation were as follows: For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The assumed Medicare Advantage trend rate is 4.5% in all future years.



**BUDGETARY COMPARISON SCHEDULES**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 19,181,759		\$ 19,181,759	\$ 19,181,759	
Tuition	720,332		720,332	579,078	\$ (141,254)
Tuition from Summer School	1,000		1,000	9,455	9,455
Interest Earned on Maintenance Reserve	1,000		1,000	1,000	
Interest Earned on Capital Reserve	158,055		158,055	117,071	(40,984)
Miscellaneous	20,062,146		20,062,146	19,889,363	(172,783)
<b>Total - Local Sources</b>					
State Sources:					
Equalization Aid	3,532,648		3,532,648	3,532,648	
Categorical Special Education Aid	687,768		687,768	687,768	
Categorical Security Aid	19,744		19,744	19,744	
Categorical Transportation Aid	106,500		106,500	106,500	
Extraordinary Special Education Aid	288,897		288,897	863,825	574,928
On-Behalf Contributions:					
TPAF Post Retirement Medical (Non-Budgeted)				715,846	715,846
TPAF Pension (Non-Budgeted)				1,895,623	1,895,623
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,188	1,188
TPAF Non-Contributory Insurance (Non-budgeted)				33,977	33,977
TPAF Social Security (Reimbursed - Non-Budgeted)				704,892	704,892
<b>Total State Sources</b>	4,635,557		4,635,557	8,562,011	3,926,454
Federal Sources:					
Medicaid Reimbursement	15,376		15,376	26,045	10,669
Total Federal Sources	15,376		15,376	26,045	10,669
<b>TOTAL REVENUES</b>	24,713,079		24,713,079	28,477,419	3,764,340

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 6,170,435	\$ (156,215)	\$ 6,014,220	\$ 6,014,220	
Regular Programs - Home Instruction:					
Salaries of Teachers	45,693	(14,088)	31,605	31,605	
Purchased Professional - Educational Services	9,345		9,345	7,254	\$ 2,091
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	9,000		9,000	5,447	3,553
Purchased Technical Services	27,828		27,828	8,060	19,768
Other Purchased Services (400-500 series)	40,542	(632)	39,910	21,680	18,230
General Supplies	158,992	(28,825)	130,167	101,396	28,771
Textbooks	69,820		69,820	37,725	32,095
Other Objects	500		500		500
<b>Total Regular Programs - Instruction</b>	<b>6,532,155</b>	<b>(199,760)</b>	<b>6,332,395</b>	<b>6,227,387</b>	<b>105,008</b>
<b>Special Education - Instruction:</b>					
Visual Impairments:					
Other Salaries for Instruction	32,048	486	32,534	32,534	
Purchased Professional - Educational Services	5,000		5,000		5,000
Total Visual Impairments	37,048	486	37,534	32,534	5,000
Behavioral Disabilities:					
Salaries of Teachers	82,707	(20,644)	62,063	62,063	
Other Salaries for Instruction	52,769	(25,821)	26,948	26,948	
General Supplies	1,400		1,400	629	771
Textbooks	199		199		199
Total Behavioral Disabilities	137,075	(46,465)	90,610	89,640	970

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Multiple Disabilities:					
Salaries of Teachers	\$ 214,103		\$ 214,103	\$ 213,165	\$ 938
Other Salaries for Instruction	277,232	\$ 46,683	323,915	323,915	
Purchased Professional - Educational Services	4,336		4,336	1,452	2,884
General Supplies	7,836		7,836	7,218	618
Textbooks	2,000		2,000		2,000
<b>Total Multiple Disabilities</b>	<b>505,507</b>	<b>46,683</b>	<b>552,190</b>	<b>545,750</b>	<b>6,440</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,103,221	(63,802)	1,039,419	1,039,419	
Other Salaries for Instruction	220,336	(83,411)	136,925	136,925	
General Supplies	15,000	(217)	14,783	13,093	1,690
Textbooks	2,000	217	2,217	2,217	
<b>Total Resource Room/Resource Center</b>	<b>1,340,557</b>	<b>(147,213)</b>	<b>1,193,344</b>	<b>1,191,654</b>	<b>1,690</b>
<b>Autism:</b>					
Salaries of Teachers	124,962		124,962	124,750	212
Other Salaries for Instruction	318,784	(3,656)	315,128	308,772	6,356
Other Purchased Services (400-500 series)	41		41	41	
General Supplies	7,355		7,355	7,352	3
Textbooks	1,000		1,000		1,000
<b>Total Autism</b>	<b>452,142</b>	<b>(3,656)</b>	<b>448,486</b>	<b>440,915</b>	<b>7,571</b>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Home Instruction:					
Salaries of Teachers	\$ 24,342	\$ (15,049)	\$ 9,293	\$ 9,293	
Purchased Professional - Educational Services	31,499	(24,912)	6,587	6,587	
Total Home Instruction	55,841	(39,961)	15,880	15,880	
Total Special Education Instruction	2,528,170	(190,126)	2,338,044	2,316,373	\$ 21,671
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	160,729	(23,749)	136,980	136,980	
Supplies and Materials	30,000		30,000	23,600	6,400
Total School-Sponsored Cocurricular Activities - Instruction	190,729	(23,749)	166,980	160,580	6,400
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	513,475	5,599	519,074	519,074	
Purchased Services (300-500 series)	89,387	52,298	141,685	141,115	570
Supplies and Materials	94,878	2,517	97,395	88,847	8,548
Other Objects	26,950	(7,127)	19,823	18,012	1,811
Transfers to Cover Deficit (Agency Funds)	73,460	(23,460)	50,000	50,000	
Total School-Sponsored Cocurricular Athletics - Instruction	798,150	29,827	827,977	817,048	10,929

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Summer School - Instruction:					
Salaries of Teachers	\$ 45,841	\$ 9,635	\$ 55,476	\$ 55,476	
Other Salaries for Instruction	45,352	2,102	47,454	47,454	
Purchased Professional and Technical Services		2,512	2,512	2,512	
<b>Total Summer School - Instruction</b>	<b>91,193</b>	<b>14,249</b>	<b>105,442</b>	<b>105,442</b>	
Alternative Education Program - Instruction:					
Salaries of Teachers	6,591		6,591	6,387	\$ 204
Salaries of Teacher Tutors	22,451	(22,451)			
<b>Total Alternative Education Program - Instruction</b>	<b>29,042</b>	<b>(22,451)</b>	<b>6,591</b>	<b>6,387</b>	<b>204</b>
<b>Total Instruction</b>	<b>10,169,439</b>	<b>(392,010)</b>	<b>9,777,429</b>	<b>9,633,217</b>	<b>144,212</b>
Undistributed Expenditures:					
Instruction:					
Tuition to County Vocational Schools - Regular	1,018,685	(36,400)	982,285	971,351	10,934
Tuition to County Vocational Schools - Special	77,908	(24,866)	53,042	37,658	15,384
Tuition to County Special Services Schools and Regional Day Schools	325,171	(107,000)	218,171	217,228	943
Tuition to Private Schools for the Disabled - Within the State	1,215,868	(139,000)	1,076,868	1,076,145	723
Tuition to Private Schools for the Disabled and Other LEAs - Special - Outside the State	274,861	(9,431)	265,430	146,286	119,144
Tuition - State Facilities	57,943		57,943	57,943	
Tuition - Other	321,750	(21,767)	299,983	142,065	157,918
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,292,186</b>	<b>(338,464)</b>	<b>2,953,722</b>	<b>2,648,676</b>	<b>305,046</b>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	\$ 55,187		\$ 55,187	\$ 50,321	\$ 4,866
Total Attendance and Social Work Services	55,187		55,187	50,321	4,866
Health Services:					
Salaries	118,332	\$ (11,519)	106,813	67,906	38,907
Purchased Professional and Technical Services	245,683	(70,110)	175,573	174,914	659
Other Purchased Services (400-500 series)	800	75	875	875	
Supplies and Materials	5,000	(446)	4,554	4,064	490
Total Health Services	369,815	(82,000)	287,815	247,759	40,056
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	91,016	(17,136)	73,880	73,880	
Purchased Professional - Educational Services	336,053	27,866	363,919	359,929	3,990
Total Other Support Services - Speech, OT, PT and Related Services	427,069	10,730	437,799	433,809	3,990
Other Support Services - Students - Extraordinary Services:					
Salaries	49,241	(29,378)	19,863	19,863	
Total Other Support Services - Students - Extraordinary Services	49,241	(29,378)	19,863	19,863	

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Other Support Services - Guidance:					
Salaries of Other Professional Staff	\$ 493,249	\$ 8,264	\$ 501,513	\$ 501,513	
Salaries of Secretarial and Clerical Assistants	128,524	402	128,926	128,926	
Purchased Professional - Educational Services	18,829	887	19,716	19,651	\$ 65
Purchased Professional and Technical Services	1,000	1,613	2,613	2,613	
Other Purchased Services (400-500 series)	9,032	3,321	12,353	8,356	3,997
Supplies and Materials	6,100	(2,321)	3,779	2,608	1,171
<b>Total Other Support Services - Guidance</b>	<b>656,734</b>	<b>12,166</b>	<b>668,900</b>	<b>663,667</b>	<b>5,233</b>
Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	570,214	(100,622)	469,592	463,735	5,857
Salaries of Secretarial and Clerical Assistants	89,100	10,622	99,722	99,722	
Other Salaries	56,701	(43,164)	13,537	9,948	3,589
Purchased Professional - Educational Services	7,000		7,000	3,600	3,400
Purchased Professional and Technical Services	17,365	(4,042)	13,323	11,679	1,644
Miscellaneous Purchased Services (400-500 series)	8,520	1,282	9,802	4,101	5,701
Supplies and Materials	2,400	4,037	6,437	6,437	
<b>Total Other Support Services - Child Study Teams</b>	<b>751,300</b>	<b>(131,887)</b>	<b>619,413</b>	<b>599,222</b>	<b>20,191</b>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	856,643	(83,799)	772,844	685,821	87,023
Salaries of Other Professional Staff	9,789		9,789	2,002	7,787
Salaries of Secretarial and Clerical Assistants	43,178		43,178	43,095	83
Purchased Professional and Technical Services	5,200	370	5,570	570	5,000
Other Purchased Services (400-500 series)	6,000	(1,000)	5,000	1,820	3,180
<b>Total Improvement of Instructional Services</b>	<b>920,810</b>	<b>(84,429)</b>	<b>836,381</b>	<b>733,308</b>	<b>103,073</b>



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Educational Media Services/School Library:					
Salaries	\$ 120,112	\$ (11,221)	\$ 108,891	\$ 107,558	\$ 1,333
Salaries of Technology Coordinators	135,125	2,555	137,680	137,680	
Other Purchased Services (400-500 series)	400		400		400
Supplies and Materials	57,928	(370)	57,558	53,811	3,747
Other Objects	1,850		1,850		1,850
<b>Total Educational Media Services/School Library</b>	<b>315,415</b>	<b>(9,036)</b>	<b>306,379</b>	<b>299,049</b>	<b>7,330</b>
Support Services - General Administration:					
Salaries	299,413	14,386	313,799	305,695	8,104
Legal Services	58,687	192,853	251,540	218,788	32,752
Audit Fees	50,000	4,000	54,000	54,000	
Other Purchased Professional Services		9,300	9,300	9,300	
Communications/Telephone	9,111	657	9,768	9,534	234
BOE Other Purchased Services	4,000	(381)	3,619	3,619	
Miscellaneous Purchased Services (400-500 series)	55,061	2,705	57,766	57,766	
General Supplies	5,400	(2,519)	2,881	2,881	
Miscellaneous Expenditures	20,127	480	20,607	20,607	
BOE Membership Dues and Fees	10,900	(22)	10,878	10,878	
<b>Total Support Services - General Administration</b>	<b>512,699</b>	<b>221,459</b>	<b>734,158</b>	<b>693,068</b>	<b>41,090</b>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	\$ 295,455	\$ 103,313	\$ 398,768	\$ 398,768	
Salaries of Secretarial and Clerical Assistants	117,563	(37,903)	79,660	79,660	
Purchased Professional and Technical Services	14,000	82	14,082	14,082	
Other Purchased Services (400-500 series)	28,140	(16,629)	11,511	11,486	\$ 25
Supplies and Materials	26,664	21,497	48,161	47,333	828
Other Objects	2,900	(2,632)	268	70	198
<b>Total Support Services - School Administration</b>	<b>484,722</b>	<b>67,728</b>	<b>552,450</b>	<b>551,399</b>	<b>1,051</b>
<b>Central Services:</b>					
Salaries	254,634	6,706	261,340	260,135	1,205
Purchased Professional Services	40,000	8,100	48,100	48,037	63
Purchased Technical Services	15,053	(2,790)	12,263	11,088	1,175
Miscellaneous Purchased Services (400-500 series)	7,510	224	7,734	4,767	2,967
Supplies and Materials	10,961	(7,154)	3,807	3,684	123
Miscellaneous Expenditures	1,500	1,620	3,120	3,120	
<b>Total Central Services</b>	<b>329,658</b>	<b>6,706</b>	<b>336,364</b>	<b>330,831</b>	<b>5,533</b>
<b>Administration Information Technology:</b>					
Salaries	29,627	290	29,917	29,917	
Purchased Professional Services	15,000		15,000	10,538	4,462
Purchased Technical Services	64,821	1,067	65,888	56,890	8,998
Supplies and Materials	29,264	(8,064)	21,200	15,802	5,398
<b>Total Administration Information Technology</b>	<b>138,712</b>	<b>(6,707)</b>	<b>132,005</b>	<b>113,147</b>	<b>18,858</b>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Required Maintenance for School Facilities:					
Salaries	\$ 128,960	\$ (3,496)	\$ 125,464	\$ 112,633	\$ 12,831
Cleaning, Repair and Maintenance Services	128,115		128,115	128,082	33
Travel		410	410	410	
General Supplies	230,482	(8,766)	221,716	208,658	13,058
Other Objects	9,802	8,356	18,158	17,412	746
<b>Total Required Maintenance for School Facilities</b>	<b>497,359</b>	<b>(3,496)</b>	<b>493,863</b>	<b>467,195</b>	<b>26,668</b>
Custodial Services:					
Salaries	526,962	(59,714)	467,248	467,248	
Cleaning, Repair and Maintenance Services	1,613		1,613	378	1,235
Other Purchased Property Services	31,976	(20,957)	11,019	6,856	4,163
Insurance	146,488	(23,244)	123,244	123,244	
Miscellaneous Purchased Services	31,403	15,000	46,403	42,298	4,105
General Supplies	40,700	(12,621)	28,079	19,200	8,879
Energy (Natural Gas)	123,898	7,227	131,125	131,125	
Energy (Electricity)	279,607	(39,005)	240,602	222,596	18,006
Other Objects	200		200		200
<b>Total Custodial Services</b>	<b>1,182,847</b>	<b>(133,314)</b>	<b>1,049,533</b>	<b>1,012,945</b>	<b>36,588</b>
Care and Upkeep of Grounds:					
Salaries	192,687	3,496	196,183	196,183	
<b>Total Care and Upkeep of Grounds</b>	<b>192,687</b>	<b>3,496</b>	<b>196,183</b>	<b>196,183</b>	
Security:					
Purchased Professional and Technical Services		25,528	25,528	25,528	
General Supplies		1,014	1,014	1,014	
Other Objects		4,353	4,353	3,815	538
<b>Total Security</b>		<b>30,895</b>	<b>30,895</b>	<b>30,357</b>	<b>538</b>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	\$ 192,553	\$ (110,157)	\$ 82,396	\$ 82,396	
Between Home and School - Special	636,781	90,625	727,406	727,406	
Other Than Between Home and School - Regular	17,923	618	18,541	18,541	
Between Home and School - Nonpublic Schools	5,700	(89)	5,611	5,611	
Other Purchased Professional and Technical Services	57,000		57,000	57,000	
Cleaning, Repair and Maintenance Services					
Contracted Services:					
Aid in Lieu Payments for Nonpublic School Students	108,312		108,312	108,312	
Other Than Between Home and School - Vendors	24,000	116,998	140,998	140,998	
Special Education Students - Joint Agreements	4,227	703,659	707,886	707,886	
Supplies and Materials	65,738	474,516	540,254	540,254	
<b>Total Student Transportation Services</b>	<b>1,112,234</b>	<b>1,319,969</b>	<b>2,432,203</b>	<b>2,432,203</b>	
Unallocated Benefits:					
Social Security Contributions	392,177		392,177	366,153	\$ 26,024
TPAF Contributions - ERIP	94,271		94,271	93,013	1,258
Other Retirement Contributions - PERS	411,571	(5,867)	405,704	370,642	35,062
Other Retirement Contributions - Regular		5,867	5,867	5,867	
Workmen's Compensation	151,253		151,253	123,401	27,852
Health Benefits	3,635,123	(495,416)	3,139,707	2,775,038	364,669
Tuition Reimbursement	45,000		45,000	27,130	17,870
Other Employee Benefits	126,676	1,692	128,368	128,271	97
Unused Sick Payments to Terminated/Retired Staff		13,296	13,296	12,639	657
<b>Total Unallocated Benefits</b>	<b>4,856,071</b>	<b>(480,428)</b>	<b>4,375,643</b>	<b>3,902,154</b>	<b>473,489</b>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
On-Behalf Contributions:					
TPAF Post Retirement Medical (Non-budgeted)				\$ 715,846	\$ (715,846)
TPAF Pension (Non-budgeted)				1,895,623	(1,895,623)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,188	(1,188)
TPAF Non-Contributory Insurance (Non-budgeted)				33,977	(33,977)
Reimbursed TPAF Social Security Contributions (Non-budgeted)				704,892	(704,892)
<b>Total On-Behalf Contributions</b>				<b>3,351,526</b>	<b>(3,351,526)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>\$ 4,856,071</b>	<b>\$ (480,428)</b>	<b>\$ 4,375,643</b>	<b>7,253,680</b>	<b>(2,878,037)</b>
<b>Total Undistributed Expenses</b>	<b>16,144,746</b>	<b>374,010</b>	<b>16,518,756</b>	<b>18,776,682</b>	<b>(2,257,926)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>26,314,185</b>	<b>(18,000)</b>	<b>26,296,185</b>	<b>28,409,899</b>	<b>(2,113,714)</b>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	34,547		34,547	15,230	19,317
Total Equipment	34,547		34,547	15,230	19,317
Facilities Acquisition and Construction Services:					
Other Objects - Debt Service Assessment	29,896		29,896	29,896	
Total Facilities Acquisition and Construction Services	29,896		29,896	29,896	
<b>TOTAL CAPITAL OUTLAY</b>	<b>64,443</b>		<b>64,443</b>	<b>45,126</b>	<b>19,317</b>
<b>TOTAL EXPENDITURES</b>	<b>26,378,628</b>	<b>(18,000)</b>	<b>26,360,628</b>	<b>28,455,025</b>	<b>(2,094,397)</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<b>(1,665,549)</b>	<b>18,000</b>	<b>(1,647,549)</b>	<b>22,394</b>	<b>1,669,943</b>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Transfers In/(Out):					
Fiduciary Fund - Flexible Spending Trust		\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Food Service Enterprise Fund - Board Contribution		(18,000)	(18,000)	(18,000)	
Capital Reserve to Capital Projects Fund		(799,155)	(799,155)	(799,155)	
Total Other Financing Sources/(Uses)		(817,155)	(817,155)	(809,155)	8,000
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing/(Uses)	\$ (1,665,549)	(799,155)	(2,464,704)	(786,761)	1,677,943
Fund Balance, July 1	4,105,402		4,105,402	4,105,402	
Fund Balance, June 30	\$ 2,439,853	\$ (799,155)	\$ 1,640,698	\$ 3,318,641	\$ 1,677,943

Recapitulation:

Restricted:	
Capital Reserve	\$ 834,035
Maintenance Reserve	1,307,337
Assigned:	
Year-End Encumbrances	106,614
Unassigned	1,070,655
	<u>3,318,641</u>
Reconciliation to Governmental Funds Statement (GAAP):	
June State Aid Payments not Recognized on GAAP Basis	(411,203)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,907,438</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 40,382		\$ 40,382	\$ 39,565	\$ (817)
Federal Sources	340,740	\$ 60,187	400,927	331,758	(69,169)
Local Sources	11,674		11,674	4,300	(7,374)
<b>Total Revenues</b>	<b>392,796</b>	<b>60,187</b>	<b>452,983</b>	<b>375,623</b>	<b>(77,360)</b>
<b>EXPENDITURES:</b>					
Instruction					
Personal Services - Salaries	43,396	19,400	62,796	44,831	17,965
Other Purchased Services	5,785	3,065	8,850	1,536	7,314
General Supplies	88,023	29,942	117,965	75,565	42,400
<b>Total Instruction</b>	<b>137,204</b>	<b>52,407</b>	<b>189,611</b>	<b>121,932</b>	<b>67,679</b>
Support Services					
Personal Services - Employee Benefits	3,902	6,790	10,692	3,902	6,790
Tuition	224,894		224,894	224,894	
Purchased Professional and Technical Services	885		885		885
Other Purchased Services	24,911		24,911	24,895	16
Supplies and Materials	1,000	990	1,990		1,990
<b>Total Support Services</b>	<b>255,592</b>	<b>7,780</b>	<b>263,372</b>	<b>253,691</b>	<b>9,681</b>
<b>Total Expenditures</b>	<b>392,796</b>	<b>60,187</b>	<b>452,983</b>	<b>375,623</b>	<b>77,360</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 28,477,419	\$ 375,623
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis Does Not:		
Prior Year Encumbrances		190
Cancellation of Prior Year Encumbrances		(190)
Current Year Encumbrances		(1,512)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	434,189	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(411,203)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 28,500,405</u>	<u>\$ 374,111</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 28,455,025	\$ 375,623
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for GAAP Reporting Purposes.		
Prior Year Encumbrances		190
Prior Year Encumbrances Canceled		(190)
Current Year Encumbrances		<u>(1,512)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 28,455,025</u>	<u>\$ 374,111</u>



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)**

**SPECIAL REVENUE FUND**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Elementary and Secondary Education Act			IDEA Part B, Basic Regular	CARES Act Emergency Relief	Local Sources	Totals June 30, 2020
	Title I	Title II	Title IV				
<b>REVENUE:</b>							
State Sources	\$ 39,565						\$ 39,565
Federal Sources		\$ 17,932	\$ 5,246	\$ 224,894	\$ 1,435		331,758
Local Sources						\$ 4,300	4,300
<b>Total Revenue</b>	<b>39,565</b>	<b>17,932</b>	<b>5,246</b>	<b>224,894</b>	<b>1,435</b>	<b>4,300</b>	<b>375,623</b>
<b>EXPENDITURES:</b>							
Instruction:							
Personal Services - Salaries	43,396				1,435		44,831
Other Purchased Services	1,536						1,536
General Supplies	38,029		5,246			4,300	75,565
<b>Total Instruction</b>	<b>39,565</b>		<b>5,246</b>		<b>1,435</b>	<b>4,300</b>	<b>121,932</b>
Support Services:							
Personal Services - Employee Benefits	3,902						3,902
Tuition				224,894			224,894
Other Purchased Services	6,963	17,932					24,895
<b>Total Support Services</b>	<b>10,865</b>	<b>17,932</b>		<b>224,894</b>			<b>253,691</b>
<b>Total Expenditures</b>	<b>\$ 39,565</b>	<b>\$ 17,932</b>	<b>\$ 5,246</b>	<b>\$ 224,894</b>	<b>\$ 1,435</b>	<b>\$ 4,300</b>	<b>\$ 375,623</b>

**CAPITAL PROJECTS FUND**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	<u>\$ 799,155</u>
Total Revenue and Other Financing Sources	<u>799,155</u>
Expenditures and Other Financing Uses:	
Construction Services	<u>1,068,096</u>
Total Expenditures and Other Financing Uses	<u>1,068,096</u>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(268,941)
Fund Balance - Beginning	<u>609,286</u>
Fund Balance - Ending	<u><u>\$ 340,345</u></u>
Recapitulation:	
Restricted	\$ 127,834
Committed	142,761
Committed - Year-End Encumbrances	<u>69,750</u>
Fund Balance per Governmental Funds (Budgetary/GAAP)	<u><u>\$ 340,345</u></u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
AIR CONDITIONING SYSTEM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 709,250	\$ 709,250	\$ 709,250
Total Revenue and Other Financing Sources	\$ -0-	709,250	709,250	709,250
Expenditures:				
Construction Services		596,720	596,720	709,250
Total Expenditures	-0-	596,720	596,720	709,250
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 112,530	\$ 112,530	\$ -0-

## Additional Project Information:

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 709,250
Change Order Percentage	0.00%
Percentage Completion	84.13%
Original Target Completion Date	August 31, 2020
Revised Target Completion Date	June 30, 2021

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
TRACK RENOVATIONS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 300,000		\$ 300,000	\$ 300,000
Total Revenue and Other Financing Sources	300,000	\$ -0-	300,000	300,000
Expenditures:				
Construction Services		293,108	293,108	300,000
Total Expenditures	-0-	293,108	293,108	300,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 300,000	\$ (293,108)	\$ 6,892	\$ -0-

Additional Project Information:

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 300,000
Change Order Percentage	0.00%
Percentage Completion	97.70%
Original Target Completion Date	August 30, 2019
Revised Target Completion Date	August 30, 2019



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
FACILITY, SECURITY AND TECHNICAL UPGRADES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,319,808	\$ 89,905	\$ 1,409,713	\$ 1,409,713
Total Revenue and Other Financing Sources	<u>1,319,808</u>	<u>89,905</u>	<u>1,409,713</u>	<u>1,409,713</u>
Expenditures:				
Construction Services	1,199,868	157,163	1,357,031	1,409,713
Total Expenditures	<u>1,199,868</u>	<u>157,163</u>	<u>1,357,031</u>	<u>1,409,713</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 119,940</u>	<u>\$ (67,258)</u>	<u>\$ 52,682</u>	<u>\$ -0-</u>

## Additional Project Information:

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 1,311,764
Additional Authorization	\$ 97,949
Change Orders	\$ -0-
Revised Authorized Cost	\$ 1,409,713
Change Order Percentage	0.00%
Percentage Completion	96.26%
Original Target Completion Date	June 30, 2019
Revised Target Completion Date	January 1, 2020

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
FACILITY IMPROVEMENT AND TECHNICAL UPGRADES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 4,229,792		\$ 4,229,792	\$ 4,229,792
Total Revenue and Other Financing Sources	4,229,792	\$ -0-	4,229,792	4,229,792
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	96,417		96,417	96,417
Construction Services	4,071,863	21,105	4,092,968	4,133,375
Total Expenditures and Other Financing Uses	4,168,280	21,105	4,189,385	4,229,792
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 61,512	\$ (21,105)	\$ 40,407	\$ -0-

## Additional Project Information:

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 4,076,070
Additional Authorization	\$ 70,555
Change Orders	\$ 626,160
Unexpended Balances:	
Returned to Capital Reserve	\$ (542,993)
Revised Authorized Cost	\$ 4,229,792
Change Order Percentage	15.36%
Percentage Completion	99.04%
Original Target Completion Date	November 30, 2016
Revised Target Completion Date	October 31, 2019

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCTION OF AN ADDITION TO AND UPGRADING OF EXISTING FACILITIES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 2,656,000		\$ 2,656,000	\$ 2,656,000
Bond Proceeds and Transfers	4,344,000		4,344,000	4,344,000
Total Revenue and Other Financing Sources	<u>7,000,000</u>	<u>\$ -0-</u>	<u>7,000,000</u>	<u>7,000,000</u>
Expenditures:				
Construction Services	6,872,166		6,872,166	7,000,000
Total Expenditures	<u>6,872,166</u>	<u>-0-</u>	<u>6,872,166</u>	<u>7,000,000</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 127,834</u>	<u>\$ -0-</u>	<u>\$ 127,834</u>	<u>\$ -0-</u>

## Additional Project Information:

Project Number	SP99279
Grant Date	March 2001
Bond Authorization Date	December 14, 2000
Bonds Authorized	\$ 4,344,000
Bonds Issued	\$ 4,344,000
Original Authorized Cost	\$ 7,000,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 7,000,000
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	August 31, 2003
Revised Target Completion Date	August 31, 2008

**PROPRIETARY FUNDS**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2020

ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 4,058
Interfund Receivable	301
Accounts Receivable - Other Governments	3,815
Inventories	13,912
	<hr/>
Total Current Assets	22,086
	<hr/>
Non-Current Assets:	
Capital Assets	106,865
Less: Accumulated Depreciation	(82,667)
	<hr/>
Total Non-Current Assets	24,198
	<hr/>
Total Assets	46,284
	<hr/>

LIABILITIES:

Current Liabilities:	
Accounts Payable	3,244
	<hr/>
Total Current Liabilities	3,244
	<hr/>
Total Liabilities	3,244
	<hr/>

NET POSITION:

Investment in Capital Assets	24,198
Unrestricted	18,842
	<hr/>
Total Net Position	\$ 43,040
	<hr/> <hr/>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Operating Revenue:	
Charges for Services:	
Daily Sales:	
Reimbursable Programs	\$ 105,299
Non-Reimbursable Programs	42,776
Total Daily Sales	<u>148,075</u>
Special Events	<u>9,497</u>
Total Operating Revenue	<u>157,572</u>
Operating Expenses:	
Cost of Sales	
Reimbursable Programs	84,051
Non-Reimbursable Programs	41,725
Total Cost of Sales	<u>125,776</u>
Salaries	235,661
General Supplies	16,092
Depreciation Expense	<u>2,835</u>
Total Operating Expenses	<u>380,364</u>
Operating Loss	<u>(222,792)</u>
Non-Operating Revenue:	
Federal Sources:	
School Breakfast Program	23,812
School Breakfast Program - Seamless Summer Option	6,480
National School Lunch Program	60,775
National School Lunch Program - Seamless Summer Option	12,257
Food Distribution Program	13,926
State Sources:	
School Lunch Program	2,028
School Lunch Program - Seamless Summer Option	193
School Lunch Program - Supplemental	741
Local Sources - Interest Revenue	<u>238</u>
Total Non-Operating Revenue	<u>120,450</u>
Change in Net Position Before Transfer	(102,342)
Transfer In - General Fund	<u>18,000</u>
Change in Net Position	(84,342)
Net Position - Beginning of Year	<u>127,382</u>
Net Position - End of Year	<u>\$ 43,040</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 157,572
Payments to Employees	(217,962)
Payments to Suppliers	<u>(125,617)</u>
Net Cash Used for Operating Activities	<u>(186,007)</u>
Cash Flows from Capital Financing Activities:	
Acquisition of Capital Assets	<u>(4,100)</u>
Net Cash Used for Capital Financing Activities	<u>(4,100)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,403
Federal Sources	<u>110,539</u>
Net Cash Provided by Noncapital Financing Activities	<u>112,942</u>
Cash Flows from Investing Activities:	
Interest Revenue	<u>238</u>
Net Cash Provided by Investing Activities	<u>238</u>
Net Decrease in Cash and Cash Equivalents	(76,927)
Cash and Cash Equivalents, July 1	<u>80,985</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 4,058</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (222,792)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	2,835
Federal Food Distribution Program	13,926
Changes in Assets and Liabilities:	
(Increase) in Inventory	(919)
Increase in Accounts Payable	3,244
Increase in Interfund Payable	<u>17,699</u>
Net Cash Used for Operating Activities	<u><u>\$ (186,007)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$13,926 for the fiscal year ended June 30, 2020.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Transportation</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 174,725
Interfund Receivable	1,553,951
	<hr/>
Total Current Assets	1,728,676
	<hr/>
Non-Current Assets:	
Capital Assets	2,234,552
Less: Accumulated Depreciation	(1,684,476)
	<hr/>
Total Non-Current Assets	550,076
	<hr/>
Total Assets	2,278,752
	<hr/>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	30,770
	<hr/>
Total Current Liabilities	30,770
	<hr/>
Total Liabilities	30,770
	<hr/>
<u>NET POSITION:</u>	
Investment in Capital Assets	550,076
Unrestricted	1,697,906
	<hr/>
Total Net Position	\$ 2,247,982
	<hr/> <hr/>



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Transportation</u>
Operating Revenue	
Local Sources:	
Charges and Fees	\$ 1,566,147
Total Operating Revenue	<u>1,566,147</u>
Operating Expenses:	
Contracted Services	500,433
Aid in Lieu	44,838
Miscellaneous	145,004
Depreciation	<u>139,914</u>
Total Operating Expenses	<u>830,189</u>
Operating Income	<u>735,958</u>
Non-Operating Revenue:	
Interest Revenue	<u>1,175</u>
Total Non-Operating Revenue	<u>1,175</u>
Change in Net Position	737,133
Net Position - Beginning of Year	<u>1,510,849</u>
Net Position - End of Year	<u>\$ 2,247,982</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Transportation</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 841,196
Payments to Suppliers	(679,271)
Net Cash Provided by Operating Activities	161,925
Cash Flows from Capital Financing Activities:	
Acquisition of Capital Assets	(267,574)
Net Cash Used for Capital Financing Activities	(267,574)
Cash Flows from Investing Activities:	
Investment Revenue	1,175
Net Cash Provided by Investing Activities	1,175
Net Decrease in Cash and Cash Equivalents	(104,474)
Cash and Cash Equivalents, July 1	279,199
Cash and Cash Equivalents, June 30	\$ 174,725
Reconciliation of Operating Income to Net Provided by Operating Activities:	
Operating Income	\$ 735,958
Adjustment to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	139,914
Changes in Assets and Liabilities:	
(Increase) in Interfund Receivable	(724,951)
Increase in Accounts Payable	11,004
Net Cash Provided by Operating Activities	\$ 161,925

**FIDUCIARY FUNDS**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Agency</u>		<u>Total</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 165,405	\$ 16,262	\$ 181,667	\$ 672,733	\$ 11,501
Total Assets	165,405	16,262	181,667	672,733	11,501
<u>LIABILITIES:</u>					
Interfund Payable - General Fund					8,000
Payroll Deductions and Withholdings		16,262	16,262		
Due to Student Groups	165,405		165,405		
Total Liabilities	165,405	16,262	181,667	-0-	8,000
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Compensation Claims				672,733	
Flexible Spending Claims					3,501
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 672,733	\$ 3,501

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<b>ADDITIONS:</b>		
Contributions:		
Plan member	\$ 43,747	\$ 8,550
Employer		8,550
Total Contributions	<u>43,747</u>	<u>17,100</u>
Investment Earnings:		
Interest	<u>2,512</u>	<u>162</u>
Net Investment Earnings	<u>2,512</u>	<u>162</u>
Total Additions	<u>46,259</u>	<u>17,262</u>
<b>DEDUCTIONS:</b>		
Unemployment Compensation Claims	38,473	
Flexible Spending Claims		<u>8,941</u>
Total Deductions	<u>38,473</u>	<u>8,941</u>
Change in Net Position Before Transfer	7,786	8,321
Transfer to General Fund		<u>(8,000)</u>
Change in Net Position After Transfer	7,786	321
Net Position - Beginning of the Year	<u>664,947</u>	<u>3,180</u>
Net Position - End of the Year	<u>\$ 672,733</u>	<u>\$ 3,501</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 157,552	\$ 245,567	\$ 237,714	\$ 165,405
Total Assets	<u>\$ 157,552</u>	<u>\$ 245,567</u>	<u>\$ 237,714</u>	<u>\$ 165,405</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 157,552	\$ 245,567	\$ 237,714	\$ 165,405
Total Liabilities	<u>\$ 157,552</u>	<u>\$ 245,567</u>	<u>\$ 237,714</u>	<u>\$ 165,405</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Senior High Schools:				
Student Athletic Account	\$ 10,246	\$ 85,247	\$ 91,434	\$ 4,059
General Organization Account	147,306	160,320	146,280	161,346
Total All Schools	<u>\$ 157,552</u>	<u>\$ 245,567</u>	<u>\$ 237,714</u>	<u>\$ 165,405</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 210	\$ 19,509,763	\$ 19,493,711	\$ 16,262
Total Assets	<u>\$ 210</u>	<u>\$ 19,509,763</u>	<u>\$ 19,493,711</u>	<u>\$ 16,262</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 210	\$ 19,509,763	\$ 19,493,711	\$ 16,262
Total Liabilities	<u>\$ 210</u>	<u>\$ 19,509,763</u>	<u>\$ 19,493,711</u>	<u>\$ 16,262</u>



**LONG-TERM DEBT**

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2019	Retired/ Matured	Balance June 30, 2020
			Date	Outstanding June 30, 2020 Amount				
Refunding Bonds	04/01/10	\$ 2,595,000	08/01/20	\$ 270,000	4.50%	\$ 770,000	\$ 270,000	\$ 500,000
			08/01/21	230,000	5.00%			
						<u>\$ 770,000</u>	<u>\$ 270,000</u>	<u>\$ 500,000</u>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 299,725		\$ 299,725	\$ 299,725	
Total Revenues	299,725		299,725	299,725	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	29,725		29,725	29,725	
Redemption of Principal	270,000		270,000	270,000	
Total Regular Debt Service	299,725		299,725	299,725	
Total Expenditures	299,725		299,725	299,725	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	-0-		-0-	-0-	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

**Contents**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
<b>Operating Information</b> These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*  
UNAUDITED

	June 30,				
	2011	2012	2013	2014	2015
Governmental Activities:					
Net Investment in Capital Assets	\$ 5,759,476	\$ 7,324,846	\$ 7,435,893	\$ 8,428,835	\$ 10,674,523
Restricted	4,910,146	7,404,749	8,139,560	9,395,201	6,600,013
Unrestricted/(Deficit)	1,764,443	307,308	653,148	(6,995,126)	(6,312,873)
Total Governmental Activities Net Position	<u>\$ 12,434,065</u>	<u>\$ 15,036,903</u>	<u>\$ 16,228,601</u>	<u>\$ 10,828,910</u>	<u>\$ 10,961,663</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 11,170	\$ 20,857	\$ 39,730	\$ 54,443	\$ 31,333
Unrestricted	214,980	224,380	197,444	136,738	124,770
Total Business-Type Activities Net Position	<u>\$ 226,150</u>	<u>\$ 245,237</u>	<u>\$ 237,174</u>	<u>\$ 191,181</u>	<u>\$ 156,103</u>
District-Wide:					
Net Investment in Capital Assets	\$ 5,770,646	\$ 7,345,703	\$ 7,475,623	\$ 8,483,278	\$ 10,705,856
Restricted	4,910,146	7,404,749	8,139,560	9,395,201	6,600,013
Unrestricted/(Deficit)	1,979,423	531,688	850,592	(6,858,388)	(6,188,103)
Total District Net Position	<u>\$ 12,660,215</u>	<u>\$ 15,282,140</u>	<u>\$ 16,465,775</u>	<u>\$ 11,020,091</u>	<u>\$ 11,117,766</u>
	June 30,				
	2016	2017	2018	2019	2020
Governmental Activities:					
Net Investment in Capital Assets	\$ 11,862,430	\$ 16,902,260	\$ 18,533,416	\$ 19,938,530	\$ 20,923,282
Restricted	3,090,397	2,910,909	3,926,134	2,627,030	2,269,206
Unrestricted/(Deficit)	(3,091,063)	(3,558,922)	(5,787,404)	(5,748,757)	(5,828,406)
Total Governmental Activities Net Position	<u>\$ 11,861,764</u>	<u>\$ 16,254,247</u>	<u>\$ 16,672,146</u>	<u>\$ 16,816,803</u>	<u>\$ 17,364,082</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 28,740	\$ 28,329	\$ 25,631	\$ 22,933	\$ 24,198
Unrestricted	110,777	90,619	103,446	104,449	18,842
Total Business-Type Activities Net Position	<u>\$ 139,517</u>	<u>\$ 118,948</u>	<u>\$ 129,077</u>	<u>\$ 127,382</u>	<u>\$ 43,040</u>
District-Wide:					
Net Investment in Capital Assets	\$ 11,891,170	\$ 16,930,589	\$ 18,559,047	\$ 19,961,463	\$ 20,947,480
Restricted	3,090,397	2,910,909	3,926,134	2,627,030	2,269,206
Unrestricted/(Deficit)	(2,980,286)	(3,468,303)	(5,683,958)	(5,644,308)	(5,809,564)
Total District Net Position	<u>\$ 12,001,281</u>	<u>\$ 16,373,195</u>	<u>\$ 16,801,223</u>	<u>\$ 16,944,185</u>	<u>\$ 17,407,122</u>

Source: School District Financial Reports.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*

UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 8,789,802	\$ 8,437,072	\$ 8,809,767	\$ 8,750,044	\$ 8,707,189	\$ 10,360,870	\$ 12,168,377	\$ 12,767,443	\$ 10,768,785	\$ 10,850,716
Special Education	2,244,478	2,376,904	2,680,156	2,474,463	2,771,099	3,296,413	3,562,340	3,925,121	4,219,770	4,109,473
Other Special Instruction	33,879	28,071	17,632	22,763	36,356	29,113	35,344	26,932		
Other Instruction	975,744	1,162,106	1,232,270	1,133,202	1,226,165	1,441,691	1,792,143	1,763,787	1,615,560	1,664,829
Support Services:										
Tuition	1,059,094	1,396,772	1,483,596	2,012,038	2,413,453	2,462,167	2,511,406	2,928,483	3,179,752	2,873,570
Student & Instruction Related Services	3,201,623	3,271,422	3,369,011	3,391,596	4,129,513	4,957,172	4,577,862	4,914,979	5,527,300	4,875,423
General Administrative Services	568,586	446,753	482,851	456,326	634,606	523,254	528,431	626,685	617,813	777,699
School Administrative Services	601,948	633,971	633,835	704,331	708,256	697,432	761,399	811,401	764,019	919,103
Central Services	360,337	359,543	394,632	335,326	350,381	374,992	406,838	388,334	398,367	406,302
Administration Information Technology	137,124	159,342	69,649	72,860	170,260	160,281	139,881	152,210	128,861	121,412
Plant Operations and Maintenance	2,000,551	1,782,700	2,158,166	1,897,239	1,864,148	2,170,359	1,963,594	2,110,077	2,467,074	2,410,823
Pupil Transportation	1,233,285	1,426,083	1,528,171	1,515,123	1,647,997	1,503,503	1,771,279	1,957,036	1,754,849	1,951,991
Interest on Long-term Debt	92,739	90,777	83,870	70,069	60,290	48,606	36,243	25,145	17,357	3,940
Total Governmental Activities Expenses	21,299,190	21,571,516	22,943,606	22,835,380	24,719,713	28,025,853	30,255,137	32,397,633	31,459,507	30,965,281
Business-type Activities:										
Food Service	475,672	458,949	446,312	461,037	434,994	427,954	413,915	410,529	383,737	380,364
Total Business-type Activities Expenses	475,672	458,949	446,312	461,037	434,994	427,954	413,915	410,529	383,737	380,364
Total District Expenses	21,774,862	22,030,465	23,389,918	23,296,417	25,154,707	28,453,807	30,669,052	32,808,162	31,843,244	31,345,645
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	614,856	644,224	640,754	679,742	757,110	1,045,332	786,300	764,466	756,760	588,533
Pupil Transportation	179,342	76,345	56,807	70,447	123,257	79,100	189,436	208,938	42,686	12,196
Operating Grants and Contributions	2,606,883	3,006,149	3,171,186	2,904,398	3,319,499	6,383,969	8,269,910	9,246,927	7,693,843	7,717,059
Capital Grants and Contributions	67,001					480,070	295,597	181,952	6,884	
Total Governmental Activities Program Revenues	3,468,082	3,726,718	3,868,747	3,654,587	4,199,866	7,917,281	9,541,243	10,402,283	8,500,173	8,317,788

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

(accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Program Revenues</b>										
Business-type Activities:										
Charges for Services:										
Food Service	\$ 379,887	\$ 331,433	\$ 301,668	\$ 278,342	\$ 273,665	\$ 268,385	\$ 249,377	\$ 259,723	\$ 233,905	\$ 157,572
Operating Grants and Contributions	136,641	145,728	135,657	136,258	125,994	142,770	141,145	148,218	147,777	120,212
Total Business-type Activities Revenues	516,528	477,161	437,325	414,600	399,659	411,155	390,522	407,941	381,682	277,784
Total District Program Revenues	3,984,610	4,203,879	4,306,072	4,069,187	4,599,525	8,328,436	9,931,765	10,810,224	8,881,855	8,595,572
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(17,831,108)	(17,844,798)	(19,074,859)	(19,180,793)	(20,519,847)	(20,108,572)	(20,713,894)	(21,995,350)	(22,959,334)	(22,647,493)
Business-type Activities	40,856	18,212	(8,987)	(46,437)	(35,335)	(16,799)	(23,393)	(2,588)	(2,055)	(102,580)
Total District-wide Net (Expense)/Revenue	(17,790,252)	(17,826,586)	(19,083,846)	(19,227,230)	(20,555,182)	(20,125,371)	(20,737,287)	(21,997,938)	(22,961,389)	(22,750,073)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	16,418,176	15,736,378	15,736,378	15,736,378	16,000,000	16,520,000	17,327,828	17,814,116	18,461,751	19,181,759
Taxes Levied for Debt Service	343,747	330,631	321,834	337,663	335,325	339,363	333,000	327,100	302,975	299,725
Unrestricted Grants and Contributions	3,548,553	3,887,436	4,025,517	4,042,810	4,031,210	4,034,184	4,066,582	4,109,362	3,950,008	3,603,042
Investment Earnings	8,323	21,324	23,422	23,242	20,388	18,365	18,052	35,587	31,930	25,783
Miscellaneous Income	74,628	471,867	205,350	164,245	265,677	170,221	254,522	127,084	290,327	94,463
Transfers						(73,460)			67,000	(10,000)
Total Governmental Activities	20,393,427	20,447,636	20,312,501	20,304,338	20,652,600	21,008,673	21,999,984	22,413,249	23,103,991	23,194,772
Business-type Activities:										
Investment Earnings	418	875	924	444	257	213	204	366	360	238
Transfers										18,000
Capital Adjustment							2,620	12,351		
Total Business-type Activities	418	875	924	444	257	213	2,824	12,717	360	18,238
Total District-wide	20,393,845	20,448,511	20,313,425	20,304,782	20,652,857	21,008,886	22,002,808	22,425,966	23,104,351	23,213,010
<b>Change in Net Position</b>										
Governmental Activities	2,562,319	2,602,838	1,237,642	1,123,545	132,753	900,101	1,286,090	417,899	144,657	547,279
Business-type Activities	41,274	19,087	(8,063)	(45,993)	(35,078)	(16,586)	(20,569)	10,129	(1,695)	(84,342)
Total District	\$ 2,603,593	\$ 2,621,925	\$ 1,229,579	\$ 1,077,552	\$ 97,675	\$ 883,515	\$ 1,265,521	\$ 428,028	\$ 142,962	\$ 462,937

Source: School District Financial Reports.



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*  
UNAUDITED

	June 30,				
	2011	2012	2013	2014	2015
General Fund:					
Restricted	\$ 4,930,336	\$ 7,406,627	\$ 8,011,726	\$ 9,259,142	\$ 6,463,954
Assigned	122,183	125,571	848,738	125,989	399,398
Unassigned	203,608	141,872	99,853	112,533	211,158
Total General Fund	<u>\$ 5,256,127</u>	<u>\$ 7,674,070</u>	<u>\$ 8,960,317</u>	<u>\$ 9,497,664</u>	<u>\$ 7,074,510</u>
All Other Governmental Funds:					
Reserved/Restricted	\$ 138,000	\$ 138,000	\$ 127,834	\$ 136,059	\$ 136,059
Committed	1,501,880	235,633	147,729		
Unassigned/(Deficit)				(97,464)	259,277
Total All Other Governmental Funds	<u>\$ 1,639,880</u>	<u>\$ 373,633</u>	<u>\$ 275,563</u>	<u>\$ 38,595</u>	<u>\$ 395,336</u>
	June 30,				
	2016	2017	2018	2019	2020
General Fund:					
Restricted	\$ 2,954,338	\$ 2,774,850	\$ 3,790,075	\$ 2,499,196	\$ 2,141,372
Assigned	56,258	957,486	474,474	723,161	106,614
Unassigned	252,755	105,988	154,587	448,856	659,452
Total General Fund	<u>\$ 3,263,351</u>	<u>\$ 3,838,324</u>	<u>\$ 4,419,136</u>	<u>\$ 3,671,213</u>	<u>\$ 2,907,438</u>
All Other Governmental Funds:					
Restricted	\$ 136,059	\$ 136,059	\$ 136,059	\$ 127,834	\$ 127,834
Committed	3,496,225	2,429,721	860,614	481,452	212,511
Total All Other Governmental Funds	<u>\$ 3,632,284</u>	<u>\$ 2,565,780</u>	<u>\$ 996,673</u>	<u>\$ 609,286</u>	<u>\$ 340,345</u>

Source: School District Financial Reports.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 16,761,923	\$ 16,067,009	\$ 16,058,212	\$ 16,074,041	\$ 16,335,325	\$ 16,859,363	\$ 17,660,828	\$ 18,141,216	\$ 18,764,726	\$ 19,481,484
Tuition Charges	614,856	644,224	640,754	679,742	757,110	1,045,332	786,300	764,466	756,760	588,533
Interest Earnings	7,023	18,698	21,210	22,031	19,670	18,126	18,052	35,587	29,189	24,608
Miscellaneous	74,628	131,683	205,350	164,245	266,177	176,315	256,709	124,468	297,211	98,763
State Sources	5,817,115	6,294,957	6,889,829	6,656,441	7,056,149	7,780,721	8,012,228	8,436,725	8,737,781	8,624,562
Federal Sources	405,322	598,628	306,874	290,767	294,060	323,997	325,772	345,369	351,482	356,291
<b>Total Revenues</b>	<b>23,680,867</b>	<b>23,755,199</b>	<b>24,122,229</b>	<b>23,887,267</b>	<b>24,728,491</b>	<b>26,203,854</b>	<b>27,059,889</b>	<b>27,847,831</b>	<b>28,937,149</b>	<b>29,174,241</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular Instruction	6,342,598	6,192,394	6,302,540	6,335,400	6,114,325	6,120,028	6,061,159	6,109,223	6,172,120	6,271,252
Special Education Instruction	1,673,264	1,760,158	1,920,170	1,797,528	1,953,692	1,965,455	2,005,582	2,165,050	2,435,381	2,392,928
Other Special Instruction	24,743	20,250	12,395	16,815	28,216	19,392	18,791	20,527		
Other Instruction	751,255	906,436	952,603	851,241	910,903	900,292	1,000,732	966,255	1,025,322	1,089,457
<b>Support Services:</b>										
Tuition	1,059,094	1,396,772	1,483,596	2,012,038	2,413,453	2,462,167	2,511,406	2,928,483	3,179,752	2,873,570
Student & Instruction Related Services	2,384,295	2,458,819	2,465,934	2,461,894	3,088,447	3,136,078	3,210,463	3,454,260	3,389,682	3,075,795
General Administrative Services	503,015	390,605	425,435	390,054	576,943	447,947	438,748	520,358	534,777	693,068
School Administrative Services	462,199	477,644	464,447	513,763	516,906	432,345	427,204	452,761	458,413	551,399
Central Services	298,539	298,655	330,804	288,960	285,895	303,576	312,489	298,867	328,200	330,831
Administration Information Technology	131,039	153,410	113,486	118,055	113,240	152,532	129,436	141,786	120,704	113,147
Plant Operations and Maintenance	1,513,871	1,433,663	1,490,846	1,491,267	1,456,632	1,665,105	1,541,100	1,651,895	1,619,766	1,706,680
Pupil Transportation	994,190	1,142,498	1,075,460	920,071	987,236	1,478,421	1,757,134	1,413,744	1,524,311	2,432,203
Unallocated Benefits	4,341,186	4,507,880	5,016,324	4,934,232	5,428,042	5,904,307	6,075,345	6,685,473	7,345,559	7,253,680
Capital Outlay	689,079	1,473,872	548,012	1,126,132	2,585,649	1,377,597	1,728,831	1,700,344	1,694,272	1,113,222
<b>Debt Service:</b>										
Principal	230,000	220,000	230,000	235,000	250,000	265,000	270,000	275,000	270,000	270,000
Interest and Other Charges	103,581	110,631	102,000	94,438	85,325	74,363	63,000	52,100	41,200	29,725
<b>Total Expenditures</b>	<b>21,501,948</b>	<b>22,943,687</b>	<b>22,934,052</b>	<b>23,586,888</b>	<b>26,794,904</b>	<b>26,704,605</b>	<b>27,551,420</b>	<b>28,836,126</b>	<b>30,139,459</b>	<b>30,196,957</b>

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	\$ 2,178,919	\$ 811,512	\$ 1,188,177	\$ 300,379	\$ (2,066,413)	\$ (500,751)	\$ (491,531)	\$ (988,295)	\$ (1,202,310)	\$ (1,022,716)
<b>Other Financing Sources (Uses)</b>										
Capital Leases (non-budgeted)	150,841	340,184								
Prior Year Accounts Payable Canceled	1,364,550	44,964	210,408		3,052,041	4,076,070	261,160	833,693	1,757,363	807,155
Transfers In	(1,364,550)	(44,964)	(210,408)		(3,052,041)	(4,149,530)	(261,160)	(833,693)	(1,690,363)	(817,155)
Transfers Out										
Total Other Financing Sources (Uses)	150,841	340,184	-0-	-0-	-0-	(73,460)	-0-	-0-	67,000	(10,000)
Net Change in Fund Balances	\$ 2,329,760	\$ 1,151,696	\$ 1,188,177	\$ 300,379	\$ (2,066,413)	\$ (574,211)	\$ (491,531)	\$ (988,295)	\$ (1,135,310)	\$ (1,032,716)
Debt Service as a Percentage of Noncapital Expenditures	1.6%	1.6%	1.5%	1.5%	1.4%	1.4%	1.3%	1.2%	1.1%	1.0%

Source: School District Financial Reports.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u>	<u>Total</u>
2011	\$ 7,023	\$ 614,856	\$ 74,628	\$ 696,507
2012	18,698	644,224	131,683	794,605
2013	21,210	640,754	205,350	867,314
2014	22,031	679,742	164,245	866,018
2015	19,670	757,110	265,677	1,042,457
2016	18,126	1,045,332	170,221	1,233,679
2017	18,052	786,300	253,545	1,057,897
2018	35,587	764,466	124,468	924,521
2019	29,189	756,760	290,327	1,076,276
2020	24,608	588,533	94,463	707,604

Source: Lakeland Regional High School District records.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
UNAUDITED

BOROUGH OF RINGWOOD

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Add:	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 77,893,500	\$ 1,534,609,300	\$ 5,547,700	\$ 91,000	\$ 65,443,100	\$ 33,014,800	\$ -	\$ 1,716,599,400	\$ 162,472,400	\$ 2,386,377	\$ -	\$ 1,718,985,777	\$ 0.54	\$ 1,849,100,408
2011	76,695,000	1,532,454,400	6,279,300	93,300	65,268,000	32,787,200	-	1,713,577,200	163,109,700	-	-	1,713,577,200	0.52	1,788,226,664
2012	75,741,900	1,532,168,100	5,758,400	282,100	64,018,300	32,787,200	-	1,710,756,000	163,768,200	-	-	1,710,756,000	0.53	1,732,676,783
2013*	72,592,500	1,296,995,400	4,856,600	88,100	58,605,700	27,696,500	-	1,460,834,800	147,554,100	-	-	1,460,834,800	0.57	1,663,039,694
2014	72,228,000	1,299,371,100	4,856,600	87,000	57,819,200	26,997,700	-	1,461,359,600	147,844,100	-	-	1,461,359,600	0.63	1,631,134,925
2015	72,018,900	1,299,987,900	4,856,600	85,900	67,867,900	24,401,100	-	1,469,218,300	148,872,900	-	-	1,469,218,300	0.67	1,638,586,197
2016	71,481,100	1,300,644,000	4,428,500	85,500	67,941,200	23,407,800	5,607,700	1,473,595,800	144,198,500	-	-	1,473,595,800	0.71	1,644,909,923
2017	71,111,600	1,302,382,700	4,246,800	84,600	69,497,700	23,313,400	-	1,470,636,800	144,507,100	-	-	1,470,636,800	0.71	1,632,305,507
2018	65,690,800	1,303,353,800	4,246,800	73,700	69,954,400	23,028,900	-	1,466,348,400	144,899,100	-	-	1,466,348,400	0.73	1,657,689,641
2019	59,856,500	1,305,174,500	3,919,600	69,100	69,837,800	22,835,600	-	1,461,693,100	145,460,300	-	-	1,461,693,100	0.76	1,707,595,885

BOROUGH OF WANAQUE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Add:	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 24,185,700	\$ 502,053,074	\$ -	\$ 3,800	\$ 41,896,720	\$ 10,591,890	1,600,100	\$ 580,331,284	\$ 291,958,900	\$ -	\$ -	\$ 580,331,284	\$ 1.30	\$ 1,386,159,406
2011	23,389,700	502,533,774	-	3,800	41,631,020	10,321,790	1,379,200	579,259,284	292,146,600	-	-	579,259,284	1.22	1,351,251,430
2012	23,115,800	507,724,774	-	3,800	41,574,020	10,321,790	1,379,200	584,119,384	291,753,000	-	-	584,119,384	1.21	1,347,018,699
2013*	43,414,200	963,498,900	-	5,800	88,604,200	22,020,000	2,178,100	1,119,721,200	471,787,000	-	-	1,119,721,200	0.70	1,212,597,512
2014	42,582,900	971,990,000	-	132,400	86,700,100	21,736,000	2,178,100	1,125,319,500	471,787,000	-	-	1,125,319,500	0.63	1,289,326,322
2015	36,099,300	976,794,800	-	132,400	86,193,800	19,791,700	2,178,100	1,121,190,100	476,711,500	-	-	1,121,190,100	0.63	1,257,130,277
2016	35,921,500	976,142,900	805,300	134,400	86,100,400	19,791,700	2,178,100	1,121,074,300	476,299,300	-	-	1,121,074,300	0.65	1,245,557,989
2017	33,925,800	988,682,600	805,300	7,700	72,102,400	19,349,700	2,178,100	1,117,051,600	477,932,000	-	-	1,117,051,600	0.69	1,262,422,911
2018	32,301,800	992,489,900	805,300	7,700	70,933,700	19,349,700	3,438,100	1,119,326,200	478,666,300	-	-	1,119,326,200	0.71	1,295,067,936
2019	31,423,400	991,182,000	805,300	7,700	70,309,900	19,394,900	6,035,900	1,119,159,100	479,702,800	-	-	1,119,159,100	0.74	1,318,773,459

\* - Property revaluation became effective in this year.

a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b - Tax rates are per \$100.

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

Source: Municipal Tax Assessors.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
*(rate per \$100 of assessed value)*  
UNAUDITED

BOROUGH OF RINGWOOD

Year Ended December 31,	Lakeland Regional School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Ringwood	Borough of Ringwood Public Schools	Passaic County	
2010	\$ 0.5286	\$ 0.0114	\$ 0.54	\$ 0.58	\$ 0.91	\$ 0.58	\$ 2.61
2011	0.5093	0.0107	0.52	0.60	0.93	0.60	2.65
2012	0.5194	0.0109	0.53	0.63	0.98	0.65	2.79
2013*	0.5580	0.0114	0.57	0.75	1.20	0.76	3.28
2014	0.6168	0.0132	0.63	0.75	1.23	0.79	3.40
2015	0.6562	0.0138	0.67	0.76	1.24	0.85	3.52
2016	0.6957	0.0143	0.71	0.77	1.30	0.84	3.62
2017	0.6996	0.0134	0.71	0.78	1.34	0.82	3.65
2018	0.7168	0.0132	0.73	0.80	1.38	0.83	3.74
2019	0.7477	0.0123	0.76	0.82	1.41	0.82	3.81

BOROUGH OF WANAQUE

Year Ended December 31,	Lakeland Regional School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Wanaque	Borough of Wanaque Public Schools	Passaic County	
2010	\$ 1.2725	\$ 0.0275	\$ 1.30	\$ 1.44	\$ 2.07	\$ 1.30	\$ 6.11
2011	1.1950	0.0250	1.22	1.52	2.22	1.34	6.30
2012	1.1857	0.0249	1.21	1.58	2.24	1.46	6.49
2013*	0.6853	0.0140	0.70	0.87	1.18	0.73	3.48
2014	0.6168	0.0132	0.63	0.88	1.21	0.81	3.53
2015	0.6171	0.0129	0.63	0.88	1.24	0.85	3.60
2016	0.6369	0.0131	0.65	0.90	1.27	0.83	3.65
2017	0.6770	0.0130	0.69	0.90	1.32	0.83	3.74
2018	0.6972	0.0128	0.71	0.92	1.35	0.85	3.83
2019	0.7281	0.0119	0.74	0.96	1.38	0.83	3.91

\* - Property revaluation became effective in this year.

a - The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable

b - Rates for debt service are based on each year's requirements.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

Source: Municipal Tax Collector and School Business Administrator.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

BOROUGH OF RINGWOOD

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
North Jersey District Water Supply Commission	\$ 54,040,400	1	3.70%	\$ 59,146,200	1	3.44%
Tennessee Gas Transmission	12,452,400	2	0.85%	3,051,700	10	0.18%
Ringwood Plaza, LTD Partnership	9,894,900	3	0.68%	12,456,000	2	0.72%
Ringwood Associates, LTD, c/o Berger L	6,562,200	4	0.45%	5,802,000	3	0.34%
BHR Ringwood Real Estate LLC	4,685,400	5	0.32%			
Serler LLC	3,615,700	6	0.25%	5,375,100	5	0.31%
PSE&G Co.	2,967,500	7	0.20%	3,428,100	7	0.20%
Spring Lake Land LLC	2,944,400	8	0.20%			
Ringwood Commons, LLC	2,852,900	9	0.20%	3,208,200	9	0.19%
Ponderosa Group I LLC	2,718,100	10	0.19%	3,850,900	6	0.22%
Chs Wks (DE) 16-81 Inc.				5,686,700	4	0.33%
Verizon				3,331,890	8	0.19%
Total	<u>\$ 102,733,900</u>		<u>7.04%</u>	<u>\$ 105,336,790</u>		<u>6.12%</u>

BOROUGH OF WANAUKE

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
North Jersey District Water Supply Commission	\$ 19,158,600	1	1.71%	\$ 16,277,200	1	2.80%
Wanaque Convalescent Center	9,500,000	2	0.85%	9,240,300	2	1.59%
Omni II LLC	6,500,000	3	0.58%			
Wanaque Building Assoc.	6,200,000	4	0.55%	2,839,100	5	0.49%
Arrow Group Industries	5,201,400	5	0.46%	2,500,000	6	0.43%
Algonquin Gas Trans. Co.	4,494,900	6	0.40%	2,086,390	7	0.36%
1049 Ringwood Avenue, LLC	3,857,800	7	0.34%			
Shree Badha Shivan, LLC	3,645,000	8	0.33%			
Haskell Town Center LLC	2,697,300	9	0.24%			
Mountain Lakes Estates	2,625,000	10	0.23%			
Di Rubbio, Ruck and McCauley				5,666,200	3	0.98%
Pulte Communities of NJ				4,672,200	4	0.81%
Haskell Products, Inc.				1,517,500	8	0.26%
Wanaque Realty Assoc.				1,486,800	9	0.26%
Prodani Group LLC				850,000	10	0.15%
Total	<u>\$ 63,880,000</u>		<u>5.69%</u>	<u>\$ 47,135,690</u>		<u>8.13%</u>

Source: Municipal Tax Assessors.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

BOROUGH OF RINGWOOD

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 9,220,218	\$ 9,220,218	100.00%	-0-
2012	8,976,308	8,976,308	100.00%	-0-
2013	8,980,549	8,980,549	100.00%	-0-
2014	8,267,727	8,267,727	100.00%	-0-
2015	9,232,810	9,232,810	100.00%	-0-
2016	9,621,236	9,621,236	100.00%	-0-
2017	10,415,794	10,415,794	100.00%	-0-
2018	10,490,115	10,490,115	100.00%	-0-
2019	10,760,244	10,760,244	100.00%	-0-
2020	11,149,000	11,149,000	100.00%	-0-

BOROUGH OF WANAQUE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 7,541,705	\$ 7,541,705	100.00%	-0-
2012	7,090,701	7,090,701	100.00%	-0-
2013	7,077,663	7,077,663	100.00%	-0-
2014	7,806,314	7,806,314	100.00%	-0-
2015	7,102,515	7,102,515	100.00%	-0-
2016	7,238,127	7,238,127	100.00%	-0-
2017	7,245,034	7,245,034	100.00%	-0-
2018	7,651,101	7,651,101	100.00%	-0-
2019	8,004,482	8,004,482	100.00%	-0-
2020	8,332,484	8,332,484	100.00%	-0-

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

Source: Lakeland Regional High School District records, including the Certificate and Report of Report of School Taxes (A4F form).



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)					
2011	\$ 3,426,257	\$ -0-	\$ 150,841	\$ -0-	\$ 3,577,098	0.38%	\$ 153.21		
2012	3,163,543	-0-	101,770	-0-	3,265,313	0.33%	138.23		
2013	2,887,092	-0-	51,782	-0-	2,938,874	0.29%	123.96		
2014	2,601,576	-0-	-0-	-0-	2,601,576	0.25%	109.23		
2015	2,296,640	-0-	-0-	-0-	2,296,640	0.21%	95.84		
2016	1,971,897	-0-	-0-	-0-	1,971,897	0.17%	82.19		
2017	1,636,927	-0-	-0-	-0-	1,636,927	0.14%	68.25		
2018	1,291,272	-0-	-0-	-0-	1,291,272	0.11%	53.82		
2019	944,434	-0-	-0-	-0-	944,434	0.08%	39.42		
2020	590,873	-0-	-0-	-0-	590,873	0.05%	24.66		

**a** - See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**b** - Includes Early Retirement Incentive Plan (ERIP) refunding.

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

Source: School District Financial Reports.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 2,785,000	\$ -0-	\$ 2,785,000	0.121%	\$ 119.29
2012	2,565,000	-0-	2,565,000	0.112%	108.59
2013	2,335,000	-0-	2,335,000	0.102%	98.49
2014	2,100,000	-0-	2,100,000	0.081%	88.17
2015	1,850,000	-0-	1,850,000	0.072%	77.20
2016	1,585,000	-0-	1,585,000	0.061%	66.06
2017	1,315,000	-0-	1,315,000	0.051%	54.83
2018	1,040,000	-0-	1,040,000	0.040%	43.35
2019	770,000	-0-	770,000	0.030%	32.14
2020	500,000	-0-	500,000	0.019%	20.87

**a** - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

**b** - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

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

Source: School District Financial Reports.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2019  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Ringwood	\$ 8,167,117	100.00%	\$ 8,167,117
Borough of Wanaque	18,454,970	100.00%	18,454,970
Passaic County General Obligation Debt	326,206,257	5.99%	<u>19,541,045</u>
Subtotal, Overlapping Debt			46,163,132
Lakeland Regional High School District Direct Debt			<u>500,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 46,663,132</u></u>

**a** - For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses of Ringwood and Wanaque. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

Sources: Assessed value data used to estimate applicable percentages provided by the Passaic County Board of Taxation; debt outstanding data provided by each governmental unit.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

**Legal Debt Margin Calculation for Fiscal Year 2020**

Year Ended December 31,	Borough of Ringwood	Borough of Wanaque	Equalized Valuation Basis
2017	\$ 1,661,924,285	\$ 1,282,640,487	\$ 2,944,564,772
2018	1,712,423,683	1,309,153,450	3,021,577,133
2019	1,762,775,084	1,363,664,067	3,126,439,151
	<u>\$ 5,137,123,052</u>	<u>\$ 3,955,458,004</u>	<u>\$ 9,092,581,056</u>
Average Equalized Valuation of Taxable Property			<u>\$ 3,030,860,352</u>
Debt Limit (3% of Average Equalization Value)			\$ 90,925,811 <sup>a</sup>
Net Bonded School Debt			<u>500,000</u>
Legal Debt Margin			<u>\$ 90,425,811</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 97,180,441	\$ 94,319,983	\$ 91,691,080	\$ 89,385,043	\$ 87,593,392
Total Net Debt Applicable to Limit	<u>2,785,000</u>	<u>2,565,000</u>	<u>2,335,000</u>	<u>2,100,000</u>	<u>1,850,000</u>
Legal Debt Margin	<u>\$ 94,395,441</u>	<u>\$ 91,754,983</u>	<u>\$ 89,356,080</u>	<u>\$ 87,285,043</u>	<u>\$ 85,743,392</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.87%	2.72%	2.55%	2.35%	2.11%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 86,715,758	\$ 86,543,953	\$ 87,117,536	\$ 88,582,006	\$ 90,925,811
Total Net Debt Applicable to Limit	<u>1,585,000</u>	<u>1,315,000</u>	<u>1,040,000</u>	<u>770,000</u>	<u>500,000</u>
Legal Debt Margin	<u>\$ 85,130,758</u>	<u>\$ 85,228,953</u>	<u>\$ 57,326,234</u>	<u>\$ 57,326,234</u>	<u>\$ 90,425,811</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.83%	1.52%	1.19%	0.87%	0.55%

<sup>a</sup> - Limit set by NJSA 18A:24-19 for a 9 through 12 district; other % limits would be applicable for other districts.

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

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

BOROUGH OF RINGWOOD

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Passaic County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2010	12,267	\$ 497,880,729	\$ 40,587	9.2%
2011	12,329	518,865,965	42,085	9.0%
2012	12,327	527,570,946	42,798	8.9%
2013	12,328	534,825,624	43,383	8.6%
2014	12,321	563,636,466	45,746	5.9%
2015	12,327	581,279,685	47,155	4.7%
2016	12,300	587,571,000	47,770	4.6%
2017	12,253	591,746,382	48,294	4.3%
2018	12,223	618,117,110	50,570	3.7%
2019	12,198	616,852,860	50,570 *	3.1%

BOROUGH OF WANAQUE

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Passaic County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2010	11,080	\$ 449,703,960	\$ 40,587	8.6%
2011	11,293	475,265,905	42,085	8.4%
2012	11,381	487,084,038	42,798	8.3%
2013	11,490	498,470,670	43,383	13.3%
2014	11,642	532,574,932	45,746	6.2%
2015	11,666	550,110,230	47,155	5.0%
2016	11,684	558,144,680	47,770	4.6%
2017	11,740	565,304,480	48,152	4.3%
2018	11,737	593,540,090	50,570	3.8%
2019	11,762	594,804,340	50,570 *	3.1%

\* - Latest Passaic County per capita personal income available (2018) was used for calculation purposes.

Source:

- a** - Population information provided by the US Department of Census - Population Division.
- b** - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c** - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d** - Unemployment data provided by the NJ Department of Labor and Workforce Development.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Information was not available as of the date of these financial statements.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction:										
Regular	65	62	62	74	75	76	70	71	70	70
Special Education	16	12	12	19	20	19	18	19	19	19
Other Special Instruction	17	16	16	14	15	20	19	19	19	19
Support Services:										
Student & Instruction Related Services	30	27	29	29	29	28	27	28	29	29
General Administrative Services	2	2	2	2	2	2	2	2	2	2
School Administrative Services	5	5	5	6	6	7	4	4	4	4
Plant Operations and Maintenance	10	10	10	12	12	10	9	10	9	10
Pupil Transportation	14	15	15	16	17	16	20	18	17	18
Business and Other Support Services	4	4	5	5	5	4	4	4	4	4
Food Service	11	12	12	14	14	10	8	10	9	9
<b>Total</b>	<b>174</b>	<b>165</b>	<b>168</b>	<b>191</b>	<b>195</b>	<b>192</b>	<b>181</b>	<b>185</b>	<b>182</b>	<b>184</b>

Source: District Personnel Records.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Senior High School	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
							Senior High School	Senior High School				
2011	1,184	\$ 20,479,288	\$ 17,297	-4.60%	100	1:11.86	1:11.86	1,184	1,139	1.46%	96.20%	
2012	1,112	21,139,184	19,010	9.91%	92	1:12.09	1:12.09	1,112	1,057	-6.08%	95.05%	
2013	1,117	22,054,040	19,744	3.86%	105	1:10.87	1:10.87	1,117	1,106	0.45%	99.02%	
2014	1,047	22,131,318	21,138	7.06%	93	1:11.26	1:11.26	1,039	993	-6.98%	95.57%	
2015	986	23,873,930	24,213	14.55%	115	1:8.57	1:8.57	999	950	-3.85%	95.05%	
2016	989	24,987,645	25,266	4.35%	115	1:8.60	1:8.60	990	942	-0.90%	95.25%	
2017	969	25,489,589	26,305	4.11%	107	1:9.06	1:9.06	970	919	-2.02%	94.81%	
2018	948	26,808,682	28,279	7.50%	109	1:8.70	1:8.70	925	868	-4.64%	93.87%	
2019	968	28,133,987	29,064	2.78%	108	1:8.96	1:8.96	935	887	1.08%	94.87%	
2020	985	28,784,010	29,222	0.54%	108	1:9.12	1:9.12	934	897	-0.11%	96.04%	

**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).

Note: Enrollment based on annual October District count.

Source: Lakeland Regional High School District records.



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>District Building</u></b>										
Lakeland Regional High School (1958):										
Square Feet	208,390	208,390	208,390	208,390	208,390	208,390	208,390	208,390	208,390	208,390
Capacity (students)	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,267	1,287
Enrollment	1,184	1,112	1,117	1,047	986	989	969	948	968	985

Number of Schools at June 30, 2020:

- Elementary = 0
- Middle School = 0
- High School = 1
- Other = 0

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.

Source: Lakeland Regional High School District Facilities Office.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures - Required Maintenance  
 For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	Project # (s)	Fiscal Year Ended June 30,				
		2011	2012	2013	2014	2015
High School	N/A	\$ 288,071	\$ 303,513	\$ 311,356	\$ 234,235	\$ 263,032
Total School Facilities		<u>288,071</u>	<u>303,513</u>	<u>311,356</u>	<u>234,235</u>	<u>263,032</u>
Grand Total		<u>\$ 288,071</u>	<u>\$ 303,513</u>	<u>\$ 311,356</u>	<u>\$ 234,235</u>	<u>\$ 263,032</u>

<u>School Facilities*</u>	Project # (s)	Fiscal Year Ended June 30,			
		2016	2017	2018	2019
High School	N/A	\$ 449,464	\$ 312,185	\$ 373,035	\$ 405,571
Total School Facilities		<u>449,464</u>	<u>312,185</u>	<u>373,035</u>	<u>405,571</u>
Grand Total		<u>\$ 449,464</u>	<u>\$ 312,185</u>	<u>\$ 373,035</u>	<u>\$ 405,571</u>

N/A - Not Applicable.

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

Source: Lakeland Regional High School District records.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2020  
UNAUDITED

	Coverage	Deductible
Zurich Insurance Company:		
Special Multi Peril:		
Property - Blanket Building and Contents (per Building)	\$ 48,898,539	\$ 5,000
Increased Cost of Construction, Combined -		
Per Building, Per Loss	2,000,000	5,000
Earthquake and Volcanic Eruption	5,000,000	5%
Flood - Outside Zones A, B or V	5,000,000	50,000
Flood - Zone B	2,000,000	100,000
Flood - Zone A or V	1,000,000	500,000
Valuable Papers and Records - Per Entity	5,000,000	500
EDP Equipment - Catastrophe Limit	2,500,000	5,000
Combined Business Interruption and Extra Expense	5,250,000	5,000
Comprehensive General Liability:		
General Aggregate	3,000,000	
Per Occurrence	1,000,000	
Employee Benefits Liability	1,000,000	
Electronic Data Processing	2,000,000	
Limited Pollution Liability	1,000,000	
Boiler & Machinery: Property Damage - Blanket	100,000,000	1,000
Crime:		
Employee Theft - Per Loss	500,000	5,000
Forgery or Alteration	250,000	1,000
Inside the Premises - Robbery or Safe Burglary	250,000	1,000
Computer Fraud	250,000	1,000
Faithful Performance of Duty - Per Loss	250,000	
Commercial Automobile:		
Automobile Liability - Comprehensive and Collision	1,000,000	1,000
Additional Personal Injury Protection	10,000	
Medical Payments	5,000	
Uninsured Motorist	1,000,000	
Underinsured Motorist	1,000,000	
Commercial Umbrella (above \$1,000,000):		
Per Occurrence/Aggregate Limit	9,000,000	
Retention	10,000	

Source: Lakeland Regional High School District records.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2020  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Fireman's Fund Insurance Company:		
High Excess Liability (above \$10,000,000):		
Per Occurrence/Aggregate	\$ 50,000,000	
Pooled Insurance Program of New Jersey:		
Worker's Compensation	Statutory	
State National Casualty Corporation:		
Worker's Compensation Excess Liability	1,000,000	
American Safety Casualty Insurance Company:		
Environmental Impairment Liability:		
Impairment Incident Limit	1,000,000	\$ 15,000
Impairment Aggregate per Named Insured	3,000,000	
Impairment Aggregate Limit	20,000,000	
Darwin National Assurance Company:		
School Board Legal Liability:		
Directors and Officers Policy Per Claim Aggregate	1,000,000	10,000
Employment Practices Liability		15,000
Selective Insurance Company:		
Public Employees' Faithful Performance Surety Position Bond:		
Treasurer	250,000	
Board Secretary/Business Administrator	250,000	
Zurich Insurance Company:		
Student Accident Insurance:		
Maximum Benefit	5,000,000	
XL Group:		
Cyber Liability	1,000,000/3,000,000	

Source: Lakeland Regional High School District records.

**SINGLE AUDIT SECTION**



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BKR International

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on  
an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Lakeland Regional High School District  
County of Passaic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lakeland Regional Board of Education, in the County of Passaic (the "District") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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.

The Honorable President and Members  
of the Board of Education  
Lakeland Regional High School District  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 financial statements. 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*.

### **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 result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey  
December 16, 2020

NISIVOCCIA LLP

*Francis Jones of Nisivoccia LLP*  
Francis Jones,  
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Certified Public Accountant



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Independent Member  
BKR International

## Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance

### Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Lakeland Regional High School District  
County of Passaic, New Jersey

#### **Report on Compliance for Each Major State Program**

We have audited the Board of Education of the Lakeland Regional High School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2020. The District's major state programs are identified in the summary of auditors' 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 terms and conditions of its federal and state awards applicable to its federal and state programs.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major 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; the audit requirements of the 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB 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 state program occurred. An audit includes examining, on a test basis, evidence about the 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 state program. However, our audit does not provide a legal determination of the District's compliance.



The Honorable President and Members  
of the Board of Education  
Lakeland Regional High School District  
Page 2

### ***Opinion on Each Major State Program***

In our opinion, the 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 state programs for the fiscal year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

Management of the 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 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 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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey  
December 16, 2020

NISIVOCCIA LLP

*Francis Jones of Nisivoccia LLP*  
Francis Jones,  
Licensed Public School Accountant #1154  
Certified Public Accountant

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2019		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Encumbrances Canceled	Balance at June 30, 2020		Amounts Provided to Subrecipients
					Unearned/ Revenue/ (Accounts Receivable)	Due to Grantor					Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture - Passed- through State Department of Agriculture: Child Nutrition Cluster:													
School Breakfast Program	10.553	N/A	7/1/19 6/30/20	\$ 23,812			\$ 23,812	\$ (23,812)					
School Breakfast Program - COVID-19 Seamless Summer Option	10.553	N/A	3/18/20 6/30/20	6,480			5,428	(6,480)			\$ (1,052)		
School Breakfast Program - Subtotal School Breakfast Program	10.553	N/A	7/1/18 6/30/19	40,388	\$ (3,366)		32,606	(30,292)			(1,052)		
Federal Food Distribution Program	10.555	N/A	7/1/19 6/30/20	13,926			13,926	(13,926)					
National School Lunch Program - National School Lunch Program - COVID-19 Seamless Summer Option	10.555	N/A	7/1/19 6/30/20	60,775			60,775	(60,775)					
National School Lunch Program - Subtotal National School Lunch Program	10.555	N/A	3/18/20 6/30/20	12,257	(6,891)		10,267	(12,257)			(1,990)		
Subtotal Child Nutrition Cluster	10.555	N/A	7/1/18 6/30/19	87,271	(6,891)		77,933	(73,032)			(1,990)		
					(10,257)		124,465	(117,250)			(3,042)		
Total U.S. Department of Agriculture					(10,257)		124,465	(117,250)			(3,042)		
U.S. Department of Education:													
General Fund:													
Medicaid Cluster:													
Medicaid Assistance Program (SEMI)	93.778	N/A	7/1/19 6/30/20	26,045			26,045	(26,045)					
Total General Fund/Medicaid Cluster							26,045	(26,045)					
Special Revenue Fund:													
Special Education Cluster:													
ID.E.A. - Part B, Basic Regular	84.027	IDEA-2510-20	7/1/19 9/30/20	224,894			224,894	(224,894)					
ID.E.A. - Part B, Basic Regular	84.027	IDEA-2510-19	7/1/18 6/30/19	220,220	(635)		635						
Total Special Education Cluster					(635)		225,529	(224,894)					
Elementary and Secondary Education Act													
Title I	84.010A	ESEA-2510-20	7/1/19 9/30/20	88,513			39,435	(82,251)			(45,033)	\$ 2,217	
Title I	84.010A	ESEA-2510-19	7/1/18 6/30/19	87,671	(9,531)		9,531				(45,033)	2,217	
Title II	84.367A	ESEA-2510-20	7/1/19 9/30/20	21,313		\$ 780	48,966	(82,251)				16	
Title II	84.367A	ESEA-2510-19	7/1/18 6/30/19	19,557	590	(780)	17,168	(17,932)		190			
Title IV	84.186A	ESEA-2510-20	7/1/19 9/30/20	6,000	590		17,168	(17,932)		190		16	
Total Elementary and Secondary Education Act					(8,941)		66,134	(105,429)		190	(50,279)	2,233	
COVID-19 CARES Act Emergency Relief Grant	84.425D	CARES-2510-20	3/13/20 9/30/22	60,187				(1,435)			(1,435)		
Total Special Revenue Fund					(9,576)		291,663	(331,758)		190	(51,714)	2,233	
Total U.S. Department of Education					(9,576)		317,708	(357,803)		190	(51,714)	2,233	
TOTAL FEDERAL AWARDS					\$ (19,833)	\$ -0-	\$ 442,173	\$ (475,053)		190	\$ (54,756)	\$ 2,233	\$ -0-

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

N/A - Not Available

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2019 Budgetary Unearned Revenue/(Accounts Receivable)	Cash Received	Budgetary Expenditures	Balance at June 30, 2020		Cumulative Total Expenditures
		From	To					GAAP (Accounts Receivable)	Budgetary Receivable	
State Department of Education:										
General Fund:										
Equalization Aid	20-495-034-5120-078	7/1/19	6/30/20	\$ 3,532,648	\$ (358,841)	\$ 3,198,452	\$ (3,532,648)	\$ (334,196)	\$ 3,532,648	
Equalization Aid	19-495-034-5120-078	7/1/18	6/30/19	3,876,700		358,841			3,876,700	
Special Education Categorical Aid	20-495-034-5120-089	7/1/19	6/30/20	687,768	(63,662)	622,704	(687,768)	(65,064)	687,768	
Special Education Categorical Aid	19-495-034-5120-089	7/1/18	6/30/19	687,768		63,662			687,768	
Security Aid	20-495-034-5120-084	7/1/19	6/30/20	19,744	(1,828)	17,876	(19,744)	(1,868)	19,744	
Security Aid	19-495-034-5120-084	7/1/18	6/30/19	19,744		1,828			19,744	
Transportation Aid	20-495-034-5120-014	7/1/19	6/30/20	106,500	(9,858)	96,425	(106,500)	(10,075)	106,500	
Transportation Aid	19-495-034-5120-014	7/1/18	6/30/19	106,500		9,858			106,500	
Extraordinary Special Education Aid	20-495-034-5120-044	7/1/19	6/30/20	863,825	(633,898)	633,898	(863,825)	(863,825)	863,825	
Extraordinary Special Education Aid	19-495-034-5120-044	7/1/18	6/30/19	633,898	(22,330)	22,330			633,898	
Nonpublic School Transportation Costs	19-495-034-5120-014	7/1/18	6/30/19	22,330	(40,943)	40,943			22,330	
Homeless Tuition Reimbursement	N/A	7/1/18	6/30/19	40,943					40,943	
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19	6/30/20	704,892	(34,778)	670,067	(704,892)	(34,825)	704,892	
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18	6/30/19	710,627		34,778			710,627	
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19	6/30/20	715,846		715,846	(715,846)		715,846	
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19	6/30/20	1,895,623		1,895,623	(1,895,623)		1,895,623	
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19	6/30/20	1,188		1,188	(1,188)		1,188	
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19	6/30/20	33,977		33,977	(33,977)		33,977	
Total General Fund State Aid				(1,166,138)		8,418,296	(8,562,011)	(898,650)	14,660,521	

N/A - Not Available

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2019 Budgetary Unearned Revenue/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Balance at June 30, 2020		MEMO
		From	To					GAAP (Accounts Receivable)	Budgetary Receivable	
State Department of Education: Special Revenue Fund: Advanced Computer Science Competitive	19-100-034-5063-349-H300-6130	1/15/19	6/30/20	\$ 44,342	\$ (3,960)	\$ 3,960	\$ (39,565)	\$ (39,565)	\$ (39,565)	\$ 43,525
Total Special Revenue Fund					(3,960)	3,960	(39,565)	(39,565)	(39,565)	43,525
Enterprise Fund:										
State School Lunch Program	20-100-010-3350-023	7/1/19	6/30/20	2,028		2,028	(2,028)			2,028
State School Lunch Program - COVID-19 Seamless Summer Option	20-100-010-3350-023	3/18/20	6/30/20	193		161	(193)	(32)	(32)	193
State School Lunch Program	19-100-010-3350-023	7/1/18	6/30/19	3,023	(214)	214				3,023
State School Lunch Program - Supplemental	20-100-010-3350-023	7/1/19	6/30/20	741			(741)	(741)	(741)	741
Total Enterprise Fund					(214)	2,403	(2,962)	(773)	(773)	5,985
Total State Awards Subject to Single Audit Determination					\$ (1,170,312)	\$ 8,424,659	\$ (8,604,538)	\$ (938,988)	\$ (1,350,191)	\$ 14,710,031
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19	6/30/20	(715,846)			715,846			
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19	6/30/20	(1,895,623)			1,895,623			
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19	6/30/20	(1,188)			1,188			
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19	6/30/20	(33,977)			33,977			
Subtotal - On-Behalf TPAF Pension System Contributions							2,646,634			
Total State Awards Subject to Single Audit Major Program Determination										\$ (5,957,904)

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state awards activity of the Board of Education, Lakeland Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2020. The information in these schedules are presented in accordance with the requirements of the 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’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, these payments are not recognized until the subsequent budget year due to the state deferral and recording of the June state aid payments in the subsequent fiscal 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 revenue, whereas the GAAP basis does not. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$22,986 for the general fund, \$(1,512) for federal grants in the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's financial statements on the GAAP basis as presented below:

	<u>Federal Sources</u>	<u>State Sources</u>	<u>Total</u>
General Fund	\$ 26,045	\$ 8,584,997	\$ 8,611,042
Special Revenue Fund	330,246	39,565	369,811
Proprietary Fund	<u>117,250</u>	<u>2,962</u>	<u>120,212</u>
Total Financial Assistance	<u>\$ 473,541</u>	<u>\$ 8,627,524</u>	<u>\$ 9,101,065</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2020. Revenue and expenditures reported under the Federal Food Distribution Program represent current fiscal year value received and current fiscal year distributions, respectively.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District was not subject to the single audit provisions of the Uniform Guidance for fiscal year end June 30, 2020 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Circular.

- The District's programs tested as major state programs for the current fiscal year consisted of the following:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>State Program:</u>				
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$3,532,648	\$ 3,532,648
Special Education				
Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	687,768	687,768
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	19,744	19,744
Extraordinary Special				
Education Aid	20-495-034-5120-044	7/1/19-6/30/20	863,825	863,825

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The single audit threshold identified in the Uniform Guidance and New Jersey's OMB Circular 15-08 was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in the Uniform Guidance and New Jersey's OMB Circular 15-08.



LAKELAND REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings:

The District had no prior year audit findings.