

BOROUGH OF LINDENWOLD

SCHOOL DISTRICT

LINDENWOLD, NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
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INTRODUCTORY SECTION



LINDENWOLD PUBLIC SCHOOLS

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

January 22, 2021

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

Dear President and Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the Lindenwold School District (District) for the fiscal year ended June 30, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance and the State of New Jersey Circular 15-08-OMB "Single Audit Policy for Recipient of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Lindenwold School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Lindenwold Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through grade 12. These include regular and special education for handicapped students. The District completed the 2019-2020 fiscal year with an enrollment of two-thousand, nine hundred and nine (2,909) students. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>FISCAL</u>	<u>STUDENT ENROLLMENT</u>	<u>INCREASE/ DECREASE</u>	<u>PERCENT CHANGE</u>
2019-20	2909	117	4.2
2018-19	2792	44	1.6
2017-18	2748	10	.04
2016-17	2738	(29)	(1.1)
2015-16	2767	134	5.1
2014-15	2633	160	6.4
2013-14	2473	60	2.5
2012-13	2413	98	4.2
2011-12	2315	27	1.2
2010-11	2288	44	2.0

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

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

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

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

3. MAJOR INITIATIVES (Grades Pre-K - 12th):

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

Curriculum: What Should Students Learn?

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

We are currently up to date in all areas of curriculum completion for QSAC. We are now in the process of continual refinement of curriculum documents to better align them to specific resources, instructional practices, and common assessments. This summer we worked to revise and improve curricula in math, ELA, and science.

We have also developed new curricula for business courses as LHS.

Assessment: How Do We Know Students Have Learned?

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

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

We also continue our work at innovating in the area of assessment of 21st century skills. Our middle school and high school feature teams of teachers who are piloting an approach to standards-centered grading that assesses students based on domains or academic categories (e.g., *science application, math processes, reading information*), and also 21st century skills as defined by the Partnership for 21st Century Skills.

Instruction: How Do We Teach So that Students Learn?

We have had to spend a great deal of time this year focusing on remote instruction and determining best practices at the secondary, elementary, and preschool levels. Teachers and leaders have worked to develop schedules, lesson plan templates, assessment adaptations, and software-based approaches to best serve students through a full-remote setting.

As we formulate clear understandings of what students should be learning and what assessments we use to ensure that learning for mastery takes place, we move to the question of how to teach so that all students can learn to high levels. The District uses the Danielson framework to ground conversations about teaching and learning, and serve as the focal point for teachers looking to improve their efficacy in the classroom and schools.

We continue to place our foremost focus on the foundational skills of literacy and math. This year we have had to refine ongoing conversations about how to best implement a Balanced Literacy approach through 4 instructional modes: on-reading-level, small group (“guided reading”); on-grade-level, whole or smaller group (“shared reading”), independent reading (“reader’s workshop”); and intervention, given our remote learning situation.

At the high school level, we continue to use a literacy-across-the-curriculum model, and work to ensure that all teachers have the necessary skills to implement the NJSLs ELA standards, again adapted this year in our remote learning situation.

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

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

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

Our urgent focus this year has been on developing expertise in the tools and instructional approaches needed to best deliver remote learning. We have engaged in a book study of *The Distance Learning Playbook*, and have had numerous teacher-led PD sessions on the myriad instructional software and tools used to deliver instruction remotely.

Previous sub-sections in this section outlined specific professional development efforts in ELA and math. In addition to those, several initiatives address professional development needs in other areas. We are in the process of using Title IV funds to develop our capacity for trauma-informed best practices. In our ongoing efforts to improve the climate and culture of all schools—in particular our middle school and high school—we are pursuing various ideas for professional learning in de-escalation, cultural responsiveness, and organized, student-directed positive climate and culture activities. We are adding a comprehensive climate and culture committee to our planning efforts in order to centralize planning for trauma-sensitive practices, positive behavior interventions, and restorative justice programs. Note that many of these efforts are continued from last year's planning and were affected by the school shutdowns.

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

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

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

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

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

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

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

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

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

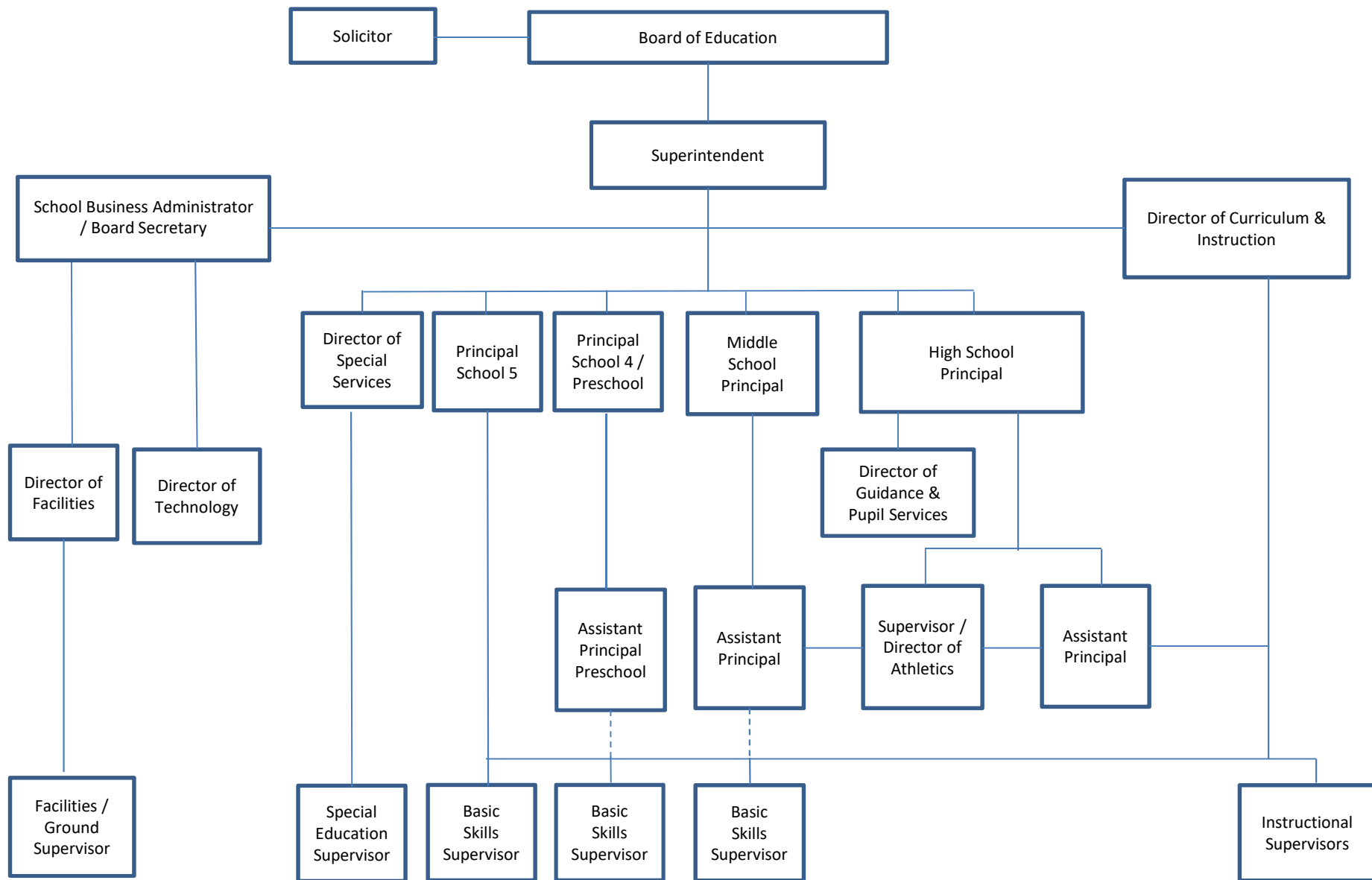
10. OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was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

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

Respectfully submitted,



Kathleen Huder
Interim Chief School Administrator
Board Secretary/School Business Administrator



BOROUGH OF LINDENWOLD SCHOOL DISTRICT
LINDENWOLD, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2020

Members of the Board of Education

Term
Expires

Cathy Ann Moncrief, President	2022
Kevin W. McGahey, Vice President	2022
Pam Bragg	2023
Jo-Ann Engels	2021
Alethia Gibbs-Smith	2023
Marsha Hershman	2021
Kelly McLaren	2023
Deborah Reynolds	2021
Cortney Richardson	2022

Other Officials

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT
LINDENWOLD, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2020**

ARCHITECT

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

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Republic Bank
50 South 16th Street, Suite 2400
Philadelphia, PA 19102

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of June 30, 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, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Lindenwold School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2021 on our consideration of the Borough of Lindenwold School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Lindenwold School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Lindenwold School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

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

Voorhees, New Jersey
January 22, 2021

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Lindenwold School District's internal control over financial reporting (internal control) 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Lindenwold School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Lindenwold School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

Glen J. Walton
Certified Public Accountant
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Voorhees, New Jersey
January 22, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

The management's discussion and analysis of the Borough of Lindenwold School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020 and 2019. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2020:

- The assets of the Borough of Lindenwold School District exceeded its liabilities at the close of the most recent fiscal year by \$13,050,691 (net position).
- The School District's total net position increased by \$1,900,808. This increase is primarily attributable to the Borough of Lindenwold School District's decrease in long-term liabilities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$3,419,596, an increase of \$292,159 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$1,932,637, which is an increase in deficit of \$242,294 in comparison with the prior year.
- The Borough of Lindenwold School District's total debt decreased by \$1,135,000 as a result of debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

The School District has three kinds of funds:

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2020 and 2019.

TABLE 1
Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 5,744,655	\$ 5,498,588	\$ 246,067	4.48%
Capital Assets	25,895,046	25,661,687	233,359	0.91%
Total Assets	31,639,701	31,160,275	479,426	1.54%
Deferred Outflows of Resources:				
Related to Pensions	1,755,563	2,323,257	(567,694)	-24.44%
Liabilities:				
Long-Term Liabilities	13,387,433	15,204,033	(1,816,600)	-11.95%
Other Liabilities	3,576,537	3,653,595	(77,058)	-2.11%
Total Liabilities	16,963,970	18,857,628	(1,893,658)	-10.04%
Deferred Inflow of Resources - Related to Pensions	3,380,603	3,476,021	(95,418)	-2.75%
Net Position:				
Net Investment in Capital Assets	20,001,706	18,530,072	1,471,634	7.94%
Restricted	4,864,723	4,684,961	179,762	3.84%
Unrestricted (Deficit)	(11,815,738)	(12,065,150)	249,412	-2.07%
Total Net Position	\$ 13,050,691	\$ 11,149,883	\$ 1,900,808	17.05%

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

TABLE 2
Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,755,563	\$ 2,323,257	\$ (567,694)	-24.44%
Less: Net Pension Liability	(8,030,415)	(8,658,475)	628,060	-7.25%
Less: Deferred Inflows Related to Pensions	(3,380,603)	(3,476,021)	95,418	-2.75%
	\$ (9,655,455)	\$ (9,811,239)	\$ 155,784	-1.59%

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2020 and 2019.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,183,063	\$ 811,138	\$ 371,925	45.85%
Operating Grants and Contributions	9,838,878	11,908,321	(2,069,443)	-17.38%
Capital Grants and Contributions	-	66,969	(66,969)	-100.00%
General Revenues:				
Property Taxes	13,982,985	14,120,719	(137,734)	-0.98%
Grants and Contributions	37,290,961	34,480,240	2,810,721	8.15%
Other	77,633	94,675	(17,042)	-18.00%
Total Revenues	<u>62,373,520</u>	<u>61,482,062</u>	<u>891,458</u>	<u>1.45%</u>
Expenses:				
Instruction:				
Regular	13,062,048	12,037,341	1,024,707	8.51%
Special Education	4,272,432	3,862,558	409,874	10.61%
Other Special Instruction	4,386,249	4,043,848	342,401	8.47%
Student Services:				
Tuition	3,105,149	2,879,858	225,291	7.82%
Student and Instruction Related	6,107,821	6,133,817	(25,996)	-0.42%
General Administrative Services	599,024	633,836	(34,812)	-5.49%
School Administrative Services	1,801,702	1,773,488	28,214	1.59%
Central Services	483,184	460,273	22,911	4.98%
Administrative Information Technology	291,907	255,562	36,345	14.22%
Plant Operations and Maintenance	3,603,055	3,578,140	24,915	0.70%
Pupil Transportation	2,389,328	2,342,264	47,064	2.01%
Special Schools	171,617	539,086	(367,469)	-68.17%
Unallocated Benefits	18,432,272	19,590,065	(1,157,793)	-5.91%
Interest on Long-Term Debt	174,224	219,686	(45,462)	-20.69%
Food Service	1,592,700	1,871,232	(278,532)	-14.88%
Total Expenses	<u>60,472,712</u>	<u>60,221,054</u>	<u>251,658</u>	<u>0.42%</u>
Increase (Decrease) in Net Position	<u>1,900,808</u>	<u>1,261,008</u>	<u>639,800</u>	<u>50.74%</u>
Beginning Net Position	<u>11,149,883</u>	<u>9,888,875</u>	<u>1,261,008</u>	<u>12.75%</u>
Ending Net Position	<u>\$ 13,050,691</u>	<u>\$ 11,149,883</u>	<u>\$ 1,900,808</u>	<u>17.05%</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

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

Governmental Activities

In 2019-2020, Governmental Activities Revenues were \$60,709,421 or 97.33% of total revenues.

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

The \$1,160,404 increase in Governmental Activities Revenues from FY 2018-2019 to FY 2019-2020 was mainly related to the implementation of GASB 75.

In 2019-2020, General Revenues - Property Taxes of \$13,982,985 made up 23.03%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$37,290,961 made up 61.43% of Governmental Activities Revenues.

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

In 2019-2020, the School District's Governmental Activities expenditures increased by \$530,190 or 0.91% from 2018-2019.

Business-Type Activities

In 2019-2020 Business-Type Activities Revenues were \$1,664,099 or 2.67% of total revenues. In 2018-2019 Business-Type Activities Revenues were \$1,933,045 or 3.14% of total revenues.

Charges for Services for Business-Type Activities were \$106,727 in 2019-2020 compared to \$156,817 in 2018-2019, a 31.94% decrease.

Operating Grants and Contributions for Business-Type Activities were \$1,554,504 in 2019-2020 compared to \$1,771,522 in 2018-2019 a 12.25 decrease.

Expenses for Business-Type Activities were \$1,592,700 in 2019-2020 compared to \$1,871,232 in 2018-2019, a 14.88% decrease.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$43,737,246, which was less than the original budget.

The 2019-2020 General Fund Tax Levy was \$13,192,379, a decrease of \$120,000 or 0.90% from the 2018-2019 General Fund Tax Levy of \$13,312,379.

During fiscal year 2020, the School District budgeted \$13,192,379 for property taxes (local tax levy) and \$29,564,073 for state aid revenues.

The School District also received \$1,540,651 and \$5,436,143 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-Term Disability Insurance and Pension Contributions, respectively. The Borough of Lindenwold School District's expenditures also include the reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-Term Disability Insurance and Pension Contributions of \$1,540,651 and \$5,436,143 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2020
 (Unaudited) (Cont'd)

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

General Fund Budgeting Highlights (cont'd)

The final budgetary basis expenditure appropriation estimate was \$45,355,716, which was greater than the original budget.

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$3,419,596, an increase of \$292,159 in comparison with the prior year.

Of the combined ending fund balances of \$3,419,596, \$2,142,018 constitutes unassigned fund balance deficits. The remainder of fund balance of \$5,561,614 is restricted or assigned for various purposes.

Proprietary Fund - As of the end of the current fiscal year, the School District's proprietary fund had \$628,859 in unrestricted net position.

CAPITAL ASSETS

The Borough of Lindenwold School District's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$25,895,046 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net increase in the Borough of Lindenwold School District's investment in capital assets for the current fiscal year of 7.94%. The net increase was the result of the net effect of the 2020 asset additions, depreciation expense, and write-offs for the year. Table 4 reflects the capital assets.

TABLE 4
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Land	\$ 1,998,297	\$ 1,998,297
Construction in Progress	132,345	38,745
Site Improvements	1,900,781	2,040,250
Building and Improvements	19,971,997	19,802,799
Equipment	<u>1,891,626</u>	<u>1,781,596</u>
 Total Capital Assets	 <u>\$ 25,895,046</u>	 <u>\$ 25,661,687</u>

Depreciation expense was \$1,483,942 for fiscal year ended 2020 and \$1,398,814 for fiscal year ended 2019.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Borough of Lindenwold School District had total bonded debt outstanding of \$5,420,000. The entire Borough of Lindenwold School District's bonded debt is governmental as opposed to business-type. The 2021 adopted budget has an appropriation of \$1,115,000 representing the payment of the annual principal. The 2003 refunding bonds will mature on October 1, 2020 and the 2015 refunding bonds will mature on June 1, 2025.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2019-2020 school year, the Borough of Lindenwold School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 23.03% of total revenue is from local tax levy and 61.43% of the Borough of Lindenwold School District's revenue is from federal and state aid (restricted and not restricted).

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 365,215	\$ 439,086	\$ 804,301
Receivables, net (Note 5)	1,046,182	150,500	1,196,682
Inventory		44,105	44,105
Restricted Assets:			
Restricted Cash and Cash Equivalents	599,801		599,801
Capital Reserve Account - Cash	3,099,766		3,099,766
Capital Assets, net (Note 7)	25,496,492	398,554	25,895,046
Total Assets	30,607,456	1,032,245	31,639,701
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 10)	1,755,563		1,755,563
Accounts Payable			
Related to Pensions	498,880		498,880
Other	979,938	4,832	984,770
Unearned Revenue	711,430		711,430
Accrued Interest Payable	18,452		18,452
Noncurrent Liabilities (Note 8):			
Due within One Year	1,363,005		1,363,005
Due beyond One Year	13,387,433		13,387,433
Total Liabilities	16,959,138	4,832	16,963,970
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 10)	3,380,603		3,380,603
NET POSITION:			
Net Investment in Capital Assets	19,603,152	398,554	20,001,706
Restricted for:			
Debt Service	1		1
Other Purposes	4,864,722		4,864,722
Unrestricted (Deficit)	(12,444,597)	628,859	(11,815,738)
Total Net Position	\$ 12,023,278	\$ 1,027,413	\$ 13,050,691

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 13,062,048		\$ 987,037		\$ (12,075,011)		\$ (12,075,011)
Special Education	4,272,432	\$ 1,076,336			(3,196,096)		(3,196,096)
Other Special Instruction	4,386,249		1,071,892		(3,314,357)		(3,314,357)
Support Services:							
Tuition	3,105,149		739,822		(2,365,327)		(2,365,327)
Student and Instruction Related Services	6,107,821		939,449		(5,168,372)		(5,168,372)
General Administrative Services	599,024				(599,024)		(599,024)
School Administrative Services	1,801,702				(1,801,702)		(1,801,702)
Central Services	483,184				(483,184)		(483,184)
Administrative Information Technology	291,907				(291,907)		(291,907)
Plant Operations and Maintenance	3,603,055		205,217		(3,397,838)		(3,397,838)
Pupil Transportation	2,389,328		26,352		(2,362,976)		(2,362,976)
Special Schools	171,617				(171,617)		(171,617)
Unallocated Benefits	18,432,272		4,314,605		(14,117,667)		(14,117,667)
Interest on Long-Term Debt	174,224				(174,224)		(174,224)
Total Governmental Activities	58,880,012	1,076,336	8,284,374	-	(49,519,302)	-	(49,519,302)
Business-Type Activities:							
Food Service	1,592,700	106,727	1,554,504			\$ 68,531	68,531
Total Business-Type Activities	1,592,700	106,727	1,554,504	-	-	68,531	68,531
Total Government	\$ 60,472,712	\$ 1,183,063	\$ 9,838,878	\$ -	(49,519,302)	68,531	(49,450,771)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					13,192,379		13,192,379
Taxes Levied for Debt Service					790,606		790,606
Federal, State and Local Aid Not Restricted					36,684,148		36,684,148
State Aid Restricted					606,813		606,813
Interest income					31,020	2,868	33,888
Miscellaneous Income					43,745		43,745
Total General Revenues					51,348,711	2,868	51,351,579
Change in Net Position					1,829,409	71,399	1,900,808
Net Position -- July 1					10,193,869	956,014	11,149,883
Net Position -- June 30					\$ 12,023,278	\$ 1,027,413	\$ 13,050,691

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

FUND FINANCIAL STATEMENTS

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 3,889,815	\$ 174,966		\$ 1	\$ 4,064,782
Accounts Receivable, net					
State	315,753				315,753
Federal		387,007			387,007
Intergovernmental	309,453				309,453
Other	33,969				33,969
Total Assets	\$ 4,548,990	\$ 561,973	\$ -	\$ 1	\$ 5,110,964
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 920,014	\$ 59,924			\$ 979,938
Unearned Revenue		711,430			711,430
Total Liabilities	920,014	771,354	-	-	1,691,368
Fund Balances:					
Restricted for:					
Capital Reserve Account	3,099,766				3,099,766
Maintenance Reserve	413,344				413,344
Emergency Reserve	11,490				11,490
Excess Surplus--Designated for Subsequent Year's Expenditures	666,061				666,061
Excess Surplus	674,061				674,061
Debt Service				\$ 1	1
Assigned:					
Other Purposes	643,697				643,697
Designated for Subsequent Year's Expenditures	53,194				53,194
Unassigned (Deficit)	(1,932,637)	(209,381)			(2,142,018)
Total Fund Balances	3,628,976	(209,381)	-	1	3,419,596
Total Liabilities and Fund Balances	\$ 4,548,990	\$ 561,973	\$ -	\$ 1	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$52,376,130 and the accumulated depreciation is \$26,879,638.

25,496,492

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.

(6,720,023)

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

(18,452)

Net Pension Liability

(8,030,415)

Accounts Payable related to the April 1, 2021 Required PERS pension contribution that is not to be liquidated with current financial resources.

(498,880)

Deferred Outflows of Resources - Related to Pensions

1,755,563

Deferred Inflows of Resources - Related to Pensions

(3,380,603)

Net position of governmental activities

\$ 12,023,278

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 13,192,379			\$ 790,606	\$ 13,982,985
Interest	31,020				31,020
Tuition	1,076,336				1,076,336
Unrestricted Miscellaneous Revenues	43,745				43,745
State Sources	36,392,618	\$ 1,758,843		606,813	38,758,274
Federal Sources	291,530	3,354,513			3,646,043
	<u>51,027,628</u>	<u>5,113,356</u>	<u>-</u>	<u>1,397,419</u>	<u>57,538,403</u>
EXPENDITURES:					
Current:					
Regular Instruction	11,493,680	987,037			12,480,717
Special Education Instruction	3,417,519	694,691			4,112,210
Other Special Instruction	3,165,930	1,071,892			4,237,822
Support Services and Undistributed Costs:					
Tuition	2,365,327	739,822			3,105,149
Student and Instruction Related Services	4,868,116	1,011,476			5,879,592
General Administrative Services	572,198				572,198
School Administrative Services	1,721,017				1,721,017
Central Services	483,184				483,184
Administrative Information Technology	291,907				291,907
Plant Operations and Maintenance	3,245,673	205,217			3,450,890
Pupil Transportation	2,257,155	26,352			2,283,507
Unallocated Benefits	14,211,012	1,138,401			15,349,413
Special Schools	171,617				171,617
Debt Service:					
Principal				1,135,000	1,135,000
Interest and Other Charges	19,250			262,419	281,669
Capital Outlay	1,690,352				1,690,352
	<u>49,973,937</u>	<u>5,874,888</u>	<u>-</u>	<u>1,397,419</u>	<u>57,246,244</u>
Total Expenditures					
Excess (Deficiency) of Revenues over Expenditures	<u>1,053,691</u>	<u>(761,532)</u>	<u>-</u>	<u>-</u>	<u>292,159</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers In		694,691			694,691
Operating Transfers Out	(694,691)		-		(694,691)
	<u>(694,691)</u>	<u>694,691</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	359,000	(66,841)	-	-	292,159
Fund Balance (Deficit) -- July 1	3,269,976	(142,540)		1	3,127,437
Fund Balance (Deficit) -- June 30	<u>\$ 3,628,976</u>	<u>\$ (209,381)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 3,419,596</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	292,159
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.</p>		
Depreciation Expense	\$	(1,441,228)
Other capital additions		(5,186)
Capital Outlays		<u>1,690,352</u>
		243,938
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		1,135,000
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		4,171
<p>Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of Bond Premiums		103,275
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		(42,479)
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>93,345</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,829,409</u></u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Proprietary Fund
Statement of Net Position
June 30, 2020

	Business-Type Activities - <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 439,086
Accounts Receivable:	
State	4,872
Federal	145,628
Inventories	<u>44,105</u>
Total Current Assets	<u>633,691</u>
Noncurrent Assets:	
Equipment	941,508
Less Accumulated Depreciation	<u>(542,954)</u>
Total Noncurrent Assets	<u>398,554</u>
Total Assets	<u>1,032,245</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	<u>4,832</u>
Total Current Liabilities	<u>4,832</u>
NET POSITION:	
Net Investment in Capital Assets	398,554
Unrestricted	<u>628,859</u>
Total Net Position	<u>\$ 1,027,413</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 73,134
Daily Sales - Non-Reimbursable Programs	27,166
Special Functions	<u>6,427</u>
Total Operating Revenues	<u>106,727</u>
OPERATING EXPENSES:	
Salaries	460,326
Employee Benefits	109,611
Supplies and Materials	69,419
Cost of Sales - Reimbursable Programs	764,208
Cost of Sales - Non-Reimbursable Programs	15,773
Other Purchased Professional Services	5,621
Management Fee	99,393
Repairs and Maintenance	25,313
Depreciation	42,714
Loss on Disposal of Equipment	<u>322</u>
Total Operating Expenses	<u>1,592,700</u>
Operating Income (Loss)	<u>(1,485,973)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	18,625
Federal Sources:	
Healthy Hunger Free Kids Program	17,705
Fresh Fruits & Vegetables Program	32,222
National School Lunch Program	763,205
After School Snack	8,057
School Breakfast Program	326,266
Summer Feeding Program	242,587
United States Department of Agriculture Commodities	145,837
Interest and Investment Revenue	<u>2,868</u>
Total Nonoperating Revenues	<u>1,557,372</u>
Change in Net Position	71,399
Total Net Position -- July 1	<u>956,014</u>
Total Net Position -- June 30	<u>\$ 1,027,413</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 106,727
Payments to Employees	(460,326)
Payments for Employee Benefits	(109,611)
Payments to Suppliers	<u>(856,664)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,319,874)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received from Federal and State Reimbursements	<u>1,338,711</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,338,711</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	(32,456)
Loss on Disposal of Equipment	<u>322</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(32,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>2,868</u>
Net Cash Provided by (used for) Investing Activities	<u>2,868</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(10,429)
Cash and Cash Equivalents -- July 1	<u>449,515</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 439,086</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,485,973)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	42,714
Federal Commodities	145,837
(Increase) Decrease in Inventories	(23,616)
Increase (Decrease) in Other Current Liabilities	<u>1,164</u>
Total Adjustments	<u>166,099</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (1,319,874)</u></u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2020

	Private Purpose Trust Funds			Agency Funds		
	Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Total <u>Trust Fund</u>	Student <u>Activity</u>	<u>Payroll</u>	Total <u>Agency Fund</u>
ASSETS:						
Cash and Cash Equivalents	\$ 316,098	\$ 2,056	\$ 318,154	\$ 83,875	\$ 284,394	\$ 368,269
Total Assets	<u>316,098</u>	<u>2,056</u>	<u>318,154</u>	<u>\$ 83,875</u>	<u>\$ 284,394</u>	<u>\$ 368,269</u>
LIABILITIES:						
Payable to Student Groups				\$ 83,875		\$ 83,875
Payroll Deductions and Withholdings					<u>\$ 284,394</u>	<u>284,394</u>
Total Liabilities				<u>\$ 83,875</u>	<u>\$ 284,394</u>	<u>\$ 368,269</u>
NET POSITION:						
Held in Trust for Unemployment Claims and Other Purposes	<u>316,098</u>	<u>2,056</u>	<u>318,154</u>			
Total Net Position	<u>\$ 316,098</u>	<u>\$ 2,056</u>	<u>\$ 318,154</u>			

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2020

	<u>Private Purpose Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 46,124	
Employer Contribution	32,289	
Donor Contribution		\$ 1,000
Total Contributions	<u>78,413</u>	<u>1,000</u>
Investment Earnings:		
Interest	<u>1,943</u>	<u>13</u>
Net Investment Earnings	<u>1,943</u>	<u>13</u>
Total Additions	<u>80,356</u>	<u>1,013</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	100,014	
Scholarships Awarded		1,000
Total Deductions	<u>100,014</u>	<u>1,000</u>
Change in Net Position	(19,658)	13
Net Position -- July 1	<u>335,756</u>	<u>2,043</u>
Net Position -- June 30	<u>\$ 316,098</u>	<u>\$ 2,056</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten through 12 at the School District's four schools. The School District has an approximate enrollment at June 30, 2020 of 2,889.

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

Government-wide and Fund Financial Statements

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements (Cont'd)**

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

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

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

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

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

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary fund:

Enterprise Fund

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

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

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

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

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

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

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

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

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

Cash, Cash Equivalents and Investments

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

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

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

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

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020. The School District has no prepaid expenses for the fiscal year ended June 30, 2020.

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

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

The School District does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources**

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2020 and 2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year may have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2020, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

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

Bond Discounts / Premiums

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

Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2020:

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2020, the School District's bank balances of \$5,776,193 were exposed to custodial credit risk as follows:

Insured	\$ 846,239
Insured under GUDPA	4,527,449
Uninsured/Uncollateralized	<u>402,505</u>
	<u>\$ 5,776,193</u>

Note 3: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019		\$ 3,072,266
Increased by:		
Transfer per June 24, 2019 Resolution	\$ 1,285,000	
Interest Earnings	<u>2,500</u>	
		<u>1,285,000</u>
		4,359,766
Decreased by:		
Withdrawals		<u>1,260,000</u>
Ending Balance, June 30, 2020		<u><u>\$ 3,099,766</u></u>

The June 30, 2020 LRFP balance of local support costs of uncompleted projects at June 30, 2020 is \$18,657,266. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: TRANSFERS FROM CAPITAL RESERVE TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2020, the School District transferred \$1,260,000 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivables at June 30, 2020 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey. All receivables are considered collectible.

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

	<u>Governmental Funds</u>			<u>Proprietary Fund</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	<u>Total</u>
Federal Awards		\$ 387,007	\$ 387,007	\$ 145,628	\$ 145,628	\$ 532,635
State Awards	\$ 315,753		315,753	4,872	4,872	320,625
Other	343,422		343,422			343,422
Total	<u>\$ 659,175</u>	<u>\$ 387,007</u>	<u>\$ 1,046,182</u>	<u>\$ 150,500</u>	<u>\$ 150,500</u>	<u>\$ 1,196,682</u>

Note 6: INVENTORY

Inventory recorded at June 30, 2020 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food Supplies	\$ 38,171
	<u>5,934</u>
	<u>\$ 44,105</u>

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Retirements / Transfers	Balance June 30, 2020
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,998,297			\$ 1,998,297
Construction in Progress	38,745	\$ 132,345	\$ (38,745)	132,345
Total Capital Assets, not being Depreciated	<u>2,037,042</u>	<u>132,345</u>	<u>(38,745)</u>	<u>2,130,642</u>
Capital Assets, being Depreciated:				
Site Improvement	4,357,856			4,357,856
Buildings and Improvements	37,449,450	1,181,036	38,745	38,669,231
Equipment	6,883,167	371,785	(36,551)	7,218,401
Total Capital Assets, being Depreciated	<u>48,690,473</u>	<u>1,552,821</u>	<u>2,194</u>	<u>50,245,488</u>
Less Accumulated Depreciation for:				
Site Improvements	(2,317,606)	(139,469)		(2,457,075)
Building and Improvements	(17,646,651)	(1,050,583)		(18,697,234)
Equipment	(5,510,704)	(251,176)	36,551	(5,725,329)
Total Accumulated Depreciation	<u>(25,474,961)</u>	<u>(1,441,228)</u>	<u>36,551</u>	<u>(26,879,638)</u>
Total Capital Assets, being Depreciated, Net	<u>23,215,512</u>	<u>111,593</u>	<u>38,745</u>	<u>23,365,850</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,252,554</u>	<u>\$ 243,938</u>	<u>\$ -</u>	<u>\$ 25,496,492</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 915,490	\$ 32,456	\$ (6,439)	\$ 941,507
Less Accumulated Depreciation	(506,357)	(42,714)	6,117	(542,954)
Business-Type Activities Capital Assets, Net	<u>\$ 409,133</u>	<u>\$ (10,258)</u>	<u>\$ (322)</u>	<u>\$ 398,553</u>

Note 7: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:

Instruction	\$ 847,501
Student & Instruction Related Services	228,229
General and Business Administrative Services	107,512
Plant Operations and Maintenance	152,165
Pupil Transportation	<u>105,821</u>

Total Depreciation- Governmental Activities	<u>\$ 1,441,228</u>
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Business-Type Activities:

Food Services	<u>\$ 42,714</u>
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Total Depreciation Expenses – Business-Type Activities	<u>\$ 42,714</u>
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Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 6,555,000		\$ (1,135,000)	\$ 5,420,000	\$ 1,115,000
Unamortized Cost of Premium on Bonds	<u>576,615</u>		<u>(103,275)</u>	<u>473,340</u>	
Other Liabilities:					
Net Pension Liability	8,658,475	5,072,872	(5,700,932)	8,030,415	
Compensated Absences	<u>784,204</u>	<u>115,508</u>	<u>(73,029)</u>	<u>826,683</u>	<u>248,005</u>
Total Other Liabilities	<u>9,442,679</u>	<u>5,188,380</u>	<u>(5,773,961)</u>	<u>8,857,098</u>	<u>248,005</u>
Governmental Activities Long-term Liabilities	<u>\$ 16,574,294</u>	<u>\$ 5,188,380</u>	<u>\$ (7,012,236)</u>	<u>\$ 14,750,438</u>	<u>\$ 1,363,005</u>

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

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

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

<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2003	\$ 1,515,000	2021	5.35%	\$ 35,000
2015	10,910,000	2021 to 2025	4.00%	5,385,000
				<u>\$ 5,420,000</u>

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,115,000	\$ 216,406	\$ 1,331,406
2022	1,090,000	172,200	1,262,200
2023	1,075,000	128,600	1,203,600
2024	1,080,000	85,600	1,165,600
2025	<u>1,060,000</u>	<u>42,400</u>	<u>1,102,400</u>
	<u>\$ 5,420,000</u>	<u>\$ 645,206</u>	<u>\$ 6,065,206</u>

Bonds Authorized But Not Issued - As of June 30, 2020, the School District had no authorizations to issue additional bonded debt.

Compensated Absences – As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to Note 15 for a description of the School District's Policy.

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

Note 9: OPERATING LEASES

At June 30, 2020, the School District had operating lease agreements in effect for copy machines, and postage machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 265,789
2022	255,302
2023	147,573
2024	<u>45,781</u>
	<u>\$ 714,445</u>

Rental payments under operating leases for the fiscal year ended June 30, 2020 were \$167,189.

Note 10: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

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

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

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

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

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

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

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

The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

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

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 16.64% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$3,475,553 and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$1,605,342

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 14.32% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$433,512 and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$267,424.

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

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial no later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2020, employee contributions totaled \$14,111 and the School District recognized pension expense, which equaled the required contributions of \$6,543. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2020, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>106,084,488</u>
	<u>\$ 106,084,488</u>

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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. For the June 30, 2019 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2019 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .1728578396%, which was an increase of .00009132021% from its proportion measured as of June 30, 2018.

Pension Expense - For the fiscal year ended June 30, 2020, the School District recognized \$6,257,147 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2019 measurement date.

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

Pension Liability - At June 30, 2020, the School District reported a liability of \$8,030,415 for its proportionate share of the net pension liability for PERS. 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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the School District's proportion was .0445676547%, which was an increase of .0005925718% from its proportion measured as of June 30, 2018.

Pension Expense - For the fiscal year ended June 30, 2020, the School District recognized pension expense of \$340,168, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2019 measurement date.

Deferred Outflows and Inflows of Resources - At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 144,135	\$ 35,475
Changes of Assumptions	801,866	2,787,332
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	126,763
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	310,682	431,033
School District Contributions Subsequent to the Measurement Date	498,880	-
	<u>\$ 1,755,563</u>	<u>\$ 3,380,603</u>

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Deferred Outflows and Inflows of Resources (Cont'd)**

Deferred outflows of resources in the amount of \$498,880 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
<u>Ending June 30,</u>	
2021	\$ (244,516)
2022	(761,666)
2023	(729,096)
2024	(490,480)
2025	<u>101,838</u>
	<u>\$ (2,123,920)</u>

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

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

The net pension liabilities were measured as of June 30, 2019 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2018. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.25%	2.25%
Salary Increases:		
Through 2026	1.55% - 4.15%	1.65% - 4.15%
Thereafter	Based on Yrs of Service 2.00% - 5.45%	Based on Age 2.65% - 5.15%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2012- June 30, 2015	July 1, 2011 – June 30, 2014

For TPAF, pre-retirement mortality rates were based on the 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 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.

For PERS, 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 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.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2019 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2019 measurement date 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%
	<u>100.00%</u>	

Discount Rate -

Teachers' Pension and Annuity Fund - 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 the June 30, 2019 measurement date 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 would be based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on 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.

Public Employees' Retirement System - 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 the June 30, 2019 measurement date 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 would be based on 70% of the actuarially determined contributions for the State. 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.

Note 10: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2019, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2019 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.60% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>125,097,091</u>	<u>106,084,488</u>	<u>90,310,031</u>
	<u>\$ 125,097,091</u>	<u>\$ 106,084,488</u>	<u>\$ 90,310,031</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2019, the Plan's measurement date, calculated using a discount rate of 6.28%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 10,214,286</u>	<u>\$ 8,030,415</u>	<u>\$ 6,293,134</u>

Pension Plan Fiduciary Net Position

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

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

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

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

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

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

Employees Covered by Benefit Terms - At June 30, 2019, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	<u>-</u>
	<u>364,943</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020 was \$76,836,358. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. For the June 30, 2019 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .1841314404%, which was an increase of .0059837521% from its proportion measured as of June 30, 2018.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Through 2026	1.55% - 3.05%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 3.05%	3.00% - 7.00%	3.25% - 15.25%

Inflation Rate - 2.50%.

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Experience Studies - The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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

Discount Rate - The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2019		\$ 82,145,383
Changes for the Year:		
Service Cost	\$ 3,258,662	
Interest Cost	3,261,270	
Difference Between Expected and Actual Experience	(10,685,863)	
Changes in Assumptions	1,145,636	
Gross Benefit Payments	(2,358,647)	
Member Contributions	<u>69,917</u>	
Net Changes		<u>(5,309,025)</u>
Balance at June 30, 2020		<u>\$ 76,836,358</u>

There were no changes in benefit terms between the June 30, 2018 measurement date and the June 30, 2019 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims, and premiums experience.

Changes of assumptions reflect a decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale, and mortality assumptions.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 90,774,102</u>	<u>\$ 76,836,358</u>	<u>\$ 65,764,978</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)****Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates**

- The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 63,309,734</u>	<u>\$ 76,836,358</u>	<u>\$ 94,742,830</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2020, the School District recognized \$2,350,443 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2019 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2020, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ 3,606,642	\$ 168,805
Differences Between Expected and Actual Experience	-	19,306,118
Changes of Assumptions	<u>-</u>	<u>15,517,162</u>
	<u>\$ 3,606,642</u>	<u>\$ 35,082,085</u>

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

Deferred Outflows and Inflows of Resources (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

Fiscal Year Ending <u>June 30,</u>		
2021	\$	(4,273,749)
2022		(4,273,749)
2023		(4,273,749)
2024		(4,273,749)
2025		(4,273,749)
Thereafter		<u>(10,106,698)</u>
	<u>\$</u>	<u>(31,475,443)</u>

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2020, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$3,891,918, \$69,758, \$1,469,710, and \$4,757, respectively.

Note 13: RISK MANAGEMENT

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

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

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

Note 13: RISK MANAGEMENT (Cont'd)**New Jersey Unemployment Compensation Insurance (Cont'd)**

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 34,232	\$ 46,124	\$ 100,014	\$ 316,098
2019	3,831	41,245	57,299	335,756
2018	2,092	41,747	94,212	347,979

Joint Insurance Fund - The School District is a member of the Burlington County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

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

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

The Fund publishes its own financial report for the fiscal year ended June 30, 2020, which can be obtained from:

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

Note 14: DEFERRED COMPENSATION

The School District offers its employees a choice of (4) deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by a third party administrator, OMNI Group, Inc., permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan choices are as follows:

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

Note 15: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, the liability for compensated absences reported on the government-wide statement of net position was \$826,683.

Note 16: INTERFUND RECEIVABLES, PAYABLES AND TRANSFER

The composition of interfund balances as of June 30, 2020 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 0	
Special Revenue		\$ 0
Proprietary		
	<u>\$ 0</u>	<u>\$ 0</u>

During the fiscal year 2020, the School District liquidated its interfund balances.

Interfund Transfers:

<u>Transfer Out:</u>	<u>Transfer In: Special Revenue Fund</u>
General Fund	<u>\$ 694,691</u>
Total Transfers	<u>\$ 694,691</u>

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

Note 17: CONTINGENCIES

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

Note 17: CONTINGENCIES (CONT'D)

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

Note 18: CONCENTRATIONS

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

Note 19: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$1,932,637 in the general fund and \$209,381 in the special revenue fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$2,142,018 is less than the June state aid payments.

Note 20: FUND BALANCES**RESTRICTED**

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

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$674,061. Additionally, \$666,061 of excess fund balance generated during 2018-2019 has been restricted and designated for utilization in the 2020-2021 budget.

Note 20: FUND BALANCES (Con't)**RESTRICTED (Con't)**

For Capital Reserve Account - As of June 30, 2020, the balance in the capital reserve account is \$3,099,766. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2020, the balance in the maintenance reserve account is \$413,344. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Emergency Reserve - As of June 30, 2020, the balance in the emergency reserve is \$11,490. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021, \$1 of debt service fund balance at June 30, 2020.

ASSIGNED

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

General Fund

Other Purposes - As of June 30, 2020, the School District had \$643,697 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Years Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021 \$53,194 of general fund balance at June 30, 2020.

UNASSIGNED

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

General Fund - As of June 30, 2020, \$(1,932,637) of general fund balance was unassigned.

Note 20: FUND BALANCES (CONT'D)**UNASSIGNED (CONT'D)**

Special Revenue Fund - As of June 30, 2020, the fund balance of the special revenue fund was a deficit of \$209,381, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in Note 19, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$209,381 is less than the last state aid payment.

Note 21: SUBSEQUENT EVENTS

COVID-19 – On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase of exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,192,379		\$ 13,192,379	\$ 13,192,379	
Interest Earned on Capital Reserve Fund	2,500		2,500	2,500	
Interest Earned on Maintenance Reserve	500		500	500	
Interest	30,000	\$ (3,000)	27,000	28,020	\$ 1,020
Tuition	650,000		650,000	1,076,336	426,336
Unrestricted Misc. Revenues	10,000		10,000	43,745	33,745
Total - Local Sources	<u>13,885,379</u>	<u>(3,000)</u>	<u>13,882,379</u>	<u>14,343,480</u>	<u>461,101</u>
State Sources:					
Equalization Aid	25,683,742		25,683,742	25,683,742	-
Categorical Transportation Aid	834,376		834,376	834,376	-
Categorical Security Aid	1,217,920		1,217,920	1,217,920	-
Categorical Special Education Aid	1,431,101		1,431,101	1,431,101	-
Extraordinary Aid	150,000		150,000	228,493	78,493
Nonpublic Transportation Aid				11,172	11,172
School Choice Aid	246,934		246,934	246,934	-
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				3,891,918	3,891,918
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				69,758	69,758
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				4,757	4,757
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,469,710	1,469,710
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,540,651	1,540,651
Total - State Sources	<u>29,564,073</u>	<u>-</u>	<u>29,564,073</u>	<u>36,630,532</u>	<u>7,066,459</u>
Federal Sources:					
Medicaid Reimbursement	128,794		128,794	144,441	15,647
Other Federal Grant Revenue - Passed through State	162,000		162,000	147,089	(14,911)
Total - Federal Sources	<u>290,794</u>	<u>-</u>	<u>290,794</u>	<u>291,530</u>	<u>736</u>
Total Revenues	<u>43,740,246</u>	<u>(3,000)</u>	<u>43,737,246</u>	<u>51,265,542</u>	<u>7,528,296</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 589,269	\$ (23,426)	\$ 565,843	\$ 565,843	
Grades 1-5	3,345,567	54,438	3,400,005	3,398,549	\$ 1,456
Grades 6-8	2,547,982	(2,777)	2,545,205	2,545,205	-
Grades 9-12	3,144,082	26,628	3,170,710	3,170,516	194
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000	(1,876)	48,124	42,315	5,809
Purchased Professional/Educational Services	45,000	(20,329)	24,671	17,662	7,009
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	58,662	(7,761)	50,901	50,901	-
Purchased Professional/Educational Services	546,156	(85,343)	460,813	393,188	67,625
Other Purchased Services	223,407	24,371	247,778	246,338	1,440
General Supplies	1,309,686	(52,793)	1,256,893	1,063,163	193,730
Textbooks	5,000	(5,000)			-
Total Regular Programs	<u>11,864,811</u>	<u>(93,868)</u>	<u>11,770,943</u>	<u>11,493,680</u>	<u>277,263</u>
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	152,798	13,470	166,268	166,268	-
Other Salaries for Instruction	66,320	(19,718)	46,602	46,080	522
General Supplies	5,901	2,642	8,543	8,134	409
Total Learning and Language Disabled	<u>225,019</u>	<u>(3,606)</u>	<u>221,413</u>	<u>220,482</u>	<u>931</u>
Behavioral Disabilities					
Salaries of Teacher	137,927	(137,927)			-
Other Salaries for Instruction	14,989	(14,989)			-
General Supplies	6,119	(6,119)			-
Total Behavioral Disabilities	<u>159,035</u>	<u>(159,035)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Multiple Disabilities					
Salaries of Teacher	393,524	(25,820)	367,704	366,794	910
Other Salaries for Instruction	196,586	9,816	206,402	206,397	5
General Supplies	32,340	15,566	47,906	37,759	10,147
Total Multiple Disabilities	<u>622,450</u>	<u>(438)</u>	<u>622,012</u>	<u>610,950</u>	<u>11,062</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room/ Resource Center					
Salaries of Teachers	\$ 2,161,165	\$ 249,104	\$ 2,410,269	\$ 2,355,149	\$ 55,120
Other Salaries for Instruction	102,313	77,349	179,662	161,400	18,262
Purchased Professional/Educational Services		16,075	16,075	15,376	699.00
General Supplies	21,627	15,521	37,148	37,090	58
Total Resource Room/ Resource Center	<u>2,285,105</u>	<u>358,049</u>	<u>2,643,154</u>	<u>2,569,015</u>	<u>74,139</u>
Preschool Disabilities - Full Time					
Salaries of Teachers	80,591	(80,591)			-
Other Salaries for Instruction	38,513	(38,513)			-
Total Preschool Disabilities - Full Time	<u>119,104</u>	<u>(119,104)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Home Instruction					
Salaries of Teachers	25,000	-	25,000	1,823	23,177
Purchased Professional - Educational Services	45,000	(14,899)	30,101	15,249	14,852
Total Home Instruction	<u>70,000</u>	<u>(14,899)</u>	<u>55,101</u>	<u>17,072</u>	<u>38,029</u>
Total Special Education - Instruction	<u>3,480,713</u>	<u>60,967</u>	<u>3,541,680</u>	<u>3,417,519</u>	<u>124,161</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,060,599	31,661	1,092,260	1,053,657	38,603
Purchased Professional - Educational Services	2,630	915	3,545	3,545	-
General Supplies	53,663	(673)	52,990	48,413	4,577
Total Basic Skills/ Remedial - Instruction	<u>1,116,892</u>	<u>31,903</u>	<u>1,148,795</u>	<u>1,105,615</u>	<u>43,180</u>
Bilingual Education - Instruction					
Salaries of Teachers	1,361,078	(9,161)	1,351,917	1,305,802	46,115
Other Salaries for Instruction	62,125	(21,959)	40,166	40,165	1
General Supplies	34,483	25,296	59,779	57,175	2,604
Total Bilingual Education - Instruction	<u>1,457,686</u>	<u>(5,824)</u>	<u>1,451,862</u>	<u>1,403,142</u>	<u>48,720</u>
School Sponsored Cocurricular Activities - Instruction					
Salaries of Teachers	151,589		151,589	143,816	7,773
Purchased Services	29,880	(1,359)	28,521	19,805	8,716
Supplies and Materials	12,978	850	13,828	13,097	731
Total School Sponsored Cocurricular Activities - Instruction	<u>194,447</u>	<u>(509)</u>	<u>193,938</u>	<u>176,718</u>	<u>17,220</u>
School Sponsored Athletics - Instruction					
Salaries	357,340	2,675	360,015	352,050	7,965
Purchased Services	47,277	(4,081)	43,196	28,194	15,002
Supplies & Materials	93,891	7,015	100,906	83,540	17,366
Other Objects	34,200	615	34,815	34,815	18,144
Total School Sponsored Athletics - Instruction	<u>532,708</u>	<u>6,224</u>	<u>538,932</u>	<u>480,455</u>	<u>58,477</u>
Total Instruction	<u>18,647,257</u>	<u>(1,107)</u>	<u>18,646,150</u>	<u>18,077,129</u>	<u>569,021</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 125,000	\$ 53,711	\$ 178,711	\$ 148,527	\$ 30,184
Tuition to Other LEA's Within State - Special		86,813	86,813	86,813	-
Tuition to County Voc. School Dist. - Regular	301,863	(999)	300,864	300,864	-
Tuition to CSSD and Regional Day Schools	331,995	(37,350)	294,645	294,645	-
Tuition to Private Schools for the Disabled - Within State	1,565,366	(15,080)	1,550,286	1,423,163	127,123
Tuition - State Facilities	106,815		106,815	106,815	-
Tuition - Other		4,500	4,500	4,500	-
Total Undistributed Expenditures - Instruction	2,431,039	91,595	2,522,634	2,365,327	157,307
Undistributed Expenditures - Attendance and Social Work:					
Salaries	131,423	3,056	134,479	131,244	3,235
Salaries of Family Liaisons	21,956	64	22,020	22,020	-
Purchased Professional & Technical Services	17,500	889	18,389	18,389	-
Supplies & Materials		512	512		512
Total Undistributed Expenditures - Attendance and Social Work	170,879	4,521	175,400	171,653	3,747
Undistributed Expenditures - Health Services:					
Salaries	279,683	(49,423)	230,260	227,344	2,916
Purchased Professional and Technical Services	36,260	45,791	82,051	41,229	40,822
Other Purchased Services	5,707		5,707	5,707	-
Supplies and Materials	19,701	243	19,944	9,758	10,186
Total Undistributed Expenditures - Health Services	341,351	(3,389)	337,962	284,038	53,924
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	251,701	2,924	254,625	254,625	-
Purchased Professional - Educational Services	336,035	(51,823)	284,212	230,644	53,568
Supplies and Materials	10,983	342	11,325	9,892	1,433
Total Undistributed Expenditures - Other Support Services - Students - Related Services	598,719	(48,557)	550,162	495,161	55,001
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	173,983	(12,986)	160,997	138,731	22,266
Purchased Professional - Educational Services	654,497	94,643	749,140	530,196	218,944
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	828,480	81,657	910,137	668,927	241,210

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Guidance:					
Salaries of Other Professional Staff	\$ 627,086	\$ 21,615	\$ 648,701	\$ 648,701	
Purchased Professional - Educational Services	15,500	471	15,971	15,971	
Supplies and Materials	16,479		16,479	11,743	\$ 4,736
Other Objects	225		225		225
Total Undistributed Expenditures - Other Support Services - Students - Guidance	659,290	22,086	681,376	676,415	4,961
Undistributed Expenditures - Other Support Services -					
Students - Child Study Team:					
Salaries of Other Professional Staff	891,726	(31,336)	860,390	860,381	9
Salaries of Secretarial and Clerical Assistants	143,852	6,262	150,114	150,114	-
Other Purchased Professional and Technical Services	72,811	(6,645)	66,166	55,756	10,410
Miscellaneous Purchased Services	12,270	(7,926)	4,344	4,344	-
Supplies & Materials	21,619	20,446	42,065	17,793	24,272
Total Undistributed Expenditures - Other Support Services - Students - Child Study Team	1,142,278	(19,199)	1,123,079	1,088,388	34,691
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	880,249	(32,512)	847,737	842,615	5,122
Salaries of Other Professional Staff	21,700	(2,168)	19,532	14,648	4,884
Salaries of Facilitators, Math & Literacy	139,670	43,584	183,254	169,979	13,275
Supplies and Materials	500	2,168	2,668	2,093	575
Total Undistributed Expenditures - Improvement of Instruction Services	1,042,119	11,072	1,053,191	1,029,335	23,856
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	216,994	11,060	228,054	228,054	-
Salaries of Technology Coordinators	112,457	15,543	128,000	128,000	-
Purchased Professional and Technical Services	31,075	963	32,038	31,668	370
Other Purchased Services	3,300	-	3,300		3,300
Supplies and Materials	40,301	(1,236)	39,065	23,574	15,491
Total Undistributed Expend. - Educational Media Services / Sch Library	404,127	26,330	430,457	411,296	19,161
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	82,380	(15,415)	66,965	41,102	25,863
Other Purchased Services	6,500	-	6,500	1,352	5,148
Supplies and Materials	1,100	-	1,100	449	651
Total Undistributed Expenditures - Instructional Staff Training Services	89,980	(15,415)	74,565	42,903	31,662

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 281,546	\$ 744	\$ 282,290	\$ 282,290	
Salaries of Governance Staff	3,200		3,200	3,200	
Legal Services	45,000	(100)	44,900	26,259	\$ 18,641
Audit Fees	26,500		26,600	26,600	-
Architectual/Engineering Services	30,000	(1,216)	28,784	21,238	7,546
Communications / Telephone	67,000	407	67,407	67,407	-
BOE Other Purchased Services	4,725		4,725	4,596	129
Miscellaneous Purchased Services	114,706		114,706	109,094	5,612
General Supplies	4,000		4,000	2,597	1,403
BOE In-House Training/Meeting Supplies	2,540		2,540	1,700	840
Miscellaneous Expenditures	10,450	519	10,969	10,356	613
BOE Membership Dues and Fees	21,800	(519)	21,281	16,861	4,420
Total Undistributed Expenditures - Support Services - General Admin	611,467	(65)	611,402	572,198	39,204
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	1,120,081	14,910	1,134,991	1,134,991	-
Salaries of Other Professional Staff	4,485	(1,468)	3,017	1,580	1,437
Salaries of Secretarial and Clerical Assistants	482,536	13,135	495,671	466,554	29,117
Purchased Professional and Technical Services	40,750	(2,000)	38,750	38,750	-
Other Purchased Services	21,381	500	21,881	20,886	995
Supplies and Materials	31,028	8,725	39,753	38,559	1,194
Other Objects	24,850	(4,490)	20,360	19,697	663
Total Undistributed Expenditures - Support Services - School Admin.	1,725,111	29,312	1,754,423	1,721,017	33,406
Undistributed Expenditures - Central Services					
Salaries	412,371	(6,202)	406,169	406,160	9
Unused Vacation Pay to Term/Retired Staff		3,570	3,570	3,570	-
Purchased Professional Services	12,550	(3,985)	8,565	8,544	21
Purchased Technical Services	28,450	4,713	33,163	33,163	-
Miscellaneous Purchased Services	7,948	(1,962)	5,986	5,949	37
Supplies and Materials	4,250	12,068	16,318	16,224	94
Interest on Current Loans	4,500	2930.00	7,430	7,430	-
Miscellaneous Expenditures	2,600	(456)	2,144	2,144	-
Total Undistributed Expenditures - Central Services	472,669	10,676	483,345	483,184	161
Undistributed Expenditures - Admin. Info. Technology					
Salaries	103,039	793	103,832	103,832	-
Purchased Technical Services	141,439	46,869	188,308	158,132	30,176
Other Purchased Services		598	598	598	-
Supplies and Materials	20,000	28,936	48,936	29,345	19,591
Total Undistributed Expenditures - Admin. Info. Technology	264,478	77,196	341,674	291,907	49,767

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Salaries	\$ 126,150	\$ 586	\$ 126,736	\$ 125,928	\$ 808
Cleaning, Repair and Maintenance Services	215,240	70,553	285,793	269,022	16,771
General Supplies	69,600	4,646	74,246	70,269	3,977
Other Objects	<u>9,250</u>	<u>12,516</u>	<u>21,766</u>	<u>7,536</u>	<u>14,230</u>
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	<u>420,240</u>	<u>88,301</u>	<u>508,541</u>	<u>472,755</u>	<u>35,786</u>
Undistributed Expenditures - Custodial Services:					
Salaries	1,099,874	34,266	1,134,140	1,134,140	-
Cleaning, Repair, and Maintenance of Plant Services	46,000	(28,952)	17,048	16,216	832
Other Purchased Property Services	80,600	(10,596)	70,004	68,470	1,534
Insurance	203,404	749	204,153	204,153	-
General Supplies	134,500	64,405	198,905	165,521	33,384
Energy (Natural Gas)	315,000	(113,844)	201,156	198,495	2,661
Energy (Electricity)	630,000	(91,552)	538,448	538,448	-
Other Objects	<u>3,500</u>	<u>6,600</u>	<u>10,100</u>	<u>9,734</u>	<u>366</u>
Total Undistributed Expenditures - Custodial Services	<u>2,512,878</u>	<u>(138,924)</u>	<u>2,373,954</u>	<u>2,335,177</u>	<u>38,777</u>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	188,875	(20,724)	168,151	167,101	1,050
Cleaning, Repair, and Maintenance Services	16,500	16,896	33,396	33,396	-
General Supplies	40,000	2,015	42,015	41,211	804
Other Objects	<u></u>	<u>75</u>	<u>75</u>	<u></u>	<u>75</u>
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>245,375</u>	<u>(1,738)</u>	<u>243,637</u>	<u>241,708</u>	<u>1,929</u>
Undistributed Expenditures - Security:					
Salaries	77,446	(734)	76,712	75,946	766
Purchased Professional and Technical Services	116,000	(3,500)	112,500	107,895	4,605
Cleaning, Repair, and Maintenance Services	-	6,773	6,773	6,338	435
General Supplies	<u>8,690</u>	<u>(2,397)</u>	<u>6,293</u>	<u>5,854</u>	<u>439</u>
Total Undistributed Expenditures - Security	<u>202,136</u>	<u>142</u>	<u>202,278</u>	<u>196,033</u>	<u>6,245</u>
Total Undistributed Expenditures - Operation and Maintenance					
Plant Services	<u>3,380,629</u>	<u>(52,219)</u>	<u>3,328,410</u>	<u>3,245,673</u>	<u>82,737</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Student Transportation Services:					
Salaries for Non-Instructional Aides	\$ 2,500	\$ 8,874	\$ 11,374	\$ 10,315	\$ 1,059
Salaries for Pupil Transportation (Home and School) - Reg.	82,880	(30,255)	52,625	52,625	-
Salaries for Pupil Transportation (Home and School) - Special Ed.		40,365	40,365	40,251	114
Salaries for Pupil Transport		8,538	8,538	8,538	-
Management Fee - ESC & CTSA Trans. Prog	39,850	(829)	39,021	33,175	5,846
Other Purchased Prof. and Technical Serv.	4,000	-	4,000	3,500	500
Cleaning, Repair, and Maintenance Services	6,200	2,600	8,800	7,982	818
Rental Payments - School Buses		17,550	17,550	17,550	-
Lease Purchase Payments - School Buses	50,000	(4,894)	45,106	44,989	117
Contracted Services - Aid in Lieu - Non Public School	75,000	-	75,000	54,148	20,852
Contracted Services - Aid in Lieu - Charter School	50,000	(25,000)	25,000	4,276	20,724
Contracted Services - Aid in Lieu - Choice School	35,000	-	35,000	21,899	13,101
Contracted Services - (Home and School) - Vendors	811,792	162,046	973,838	762,731	211,107
Contracted Services - (Not Home and School) - Vendors	135,000	(30,000)	105,000	61,420	43,580
Contracted Services - (Special Education students) - Vendors	407,328	106,155	513,483	473,329	40,154
Contracted Services - (Special Education students) - Joint Agreements		717	717	717	-
Contracted Services (Regular Education Students) - ESC's	135,000	1,000	136,000	124,783	11,217
Contracted Services (Special Education Students) - ESC's	502,000	148,952	650,952	521,960	128,992
Miscellaneous Purchased Services - Transportation	1,000	506	1,506	1,506	-
Transportation Supplies	8,000	5,538	13,538	10,555	2,983
Other Objects	250	656	906	906	-
Total Student Transportation Services	<u>2,345,800</u>	<u>412,519</u>	<u>2,758,319</u>	<u>2,257,155</u>	<u>501,164</u>
Unallocated Benefits:					
Group Insurance	60,000	-	60,000	46,124	13,876
Social Security Contributions	450,000	(14,180)	435,820	407,549	28,271
Pension Contributions - Normal	468,730	(19,627)	449,103	449,103	-
DCRP Pension Contributions	13,600	-	13,600	6,543	7,057
Unemployment Compensation		32,289	32,289	32,289	-
Workmen's Compensation	221,827	-	221,827	221,827	-
Health Benefits	6,050,000	(222,680)	5,827,320	5,711,906	115,414
Tuition Reimbursement	60,000	-	60,000	39,573	20,427
Other Employee Benefits	219,700	27,154	246,854	245,904	950
Unused Sick Payment to Terminated/Retired Staff	60,000	13,400	73,400	73,400	-
Total Unallocated Benefits	<u>7,603,857</u>	<u>(183,644)</u>	<u>7,420,213</u>	<u>7,234,218</u>	<u>185,995</u>
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				3,891,918	(3,891,918)
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				69,758	(69,758)
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				4,757	(4,757)
On-behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,469,710	(1,469,710)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,540,651	(1,540,651)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,976,794</u>	<u>(6,976,794)</u>
Total Undistributed Expenditures	<u>24,112,273</u>	<u>444,476</u>	<u>24,556,749</u>	<u>30,015,589</u>	<u>(5,458,840)</u>
Interest Earned on Current Expense Maintenance Reserve	500	(500)			-
Total Current Expense	<u>42,760,030</u>	<u>442,869</u>	<u>43,202,899</u>	<u>48,092,718</u>	<u>(4,889,819)</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve:	\$ 2,500	\$ (2,500)			
Total Capital Reserve:	<u>2,500</u>	<u>(2,500)</u>	-	-	-
Equipment:					
Regular Programs - Instruction					
Grades 9-12		119,647	\$ 119,647	-	\$ 119,647
Multiple Disabilities	9,050	(9,050)	-	-	-
School Sponsored Instruction - Extra. Curr. Equipment		14,549	14,549	\$ 14,549	-
Undistributed Expenditures:					
Instruction	10,000	3,258	13,258	-	13,258
Support Serv. - Students - Related Services		7,011	7,011	7,011	-
Support Serv. - Students - Child Study Teams	12,020	(7,511)	4,509	3,080	1,429
Admin. Info. Technology	73,678	4,421	78,099	78,099	-
Required Maintenance for Schools Facilities		28,383	28,383	14,192	14,191
Custodial Services	10,000	118,720	128,720	50,714	78,006
Care and Upkeep of Grounds		10,749	10,749	10,749	-
Student Transportation Services		5,944	5,944	5,944	-
Total Equipment	<u>114,748</u>	<u>296,121</u>	<u>410,869</u>	<u>184,338</u>	<u>226,531</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	85,000	132,222	217,222	196,942	20,280
Construction Services	1,135,000	(32,753)	1,102,247	1,102,247	-
Infrastructure	207,000	-	207,000	206,825	175
Assessment for Debt Service	19,250	-	19,250	19,250	-
Total Facilities Acquisition and Construction Services	<u>1,446,250</u>	<u>99,469</u>	<u>1,545,719</u>	<u>1,525,264</u>	<u>20,455</u>
Total Capital Outlay	<u>1,563,498</u>	<u>393,090</u>	<u>1,956,588</u>	<u>1,709,602</u>	<u>246,986</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	\$ 1,170	\$ -	\$ 1,170	\$ -	\$ 1,170
Total Summer School - Instruction	<u>1,170</u>		<u>1,170</u>		<u>1,170</u>
Transfer of Funds to Charter School	<u>625,000</u>	<u>(429,941)</u>	<u>195,059</u>	<u>171,617</u>	<u>23,442</u>
Total Expenditures	<u>44,949,698</u>	<u>406,018</u>	<u>45,355,716</u>	<u>49,973,937</u>	<u>(4,618,221)</u>
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,209,452)</u>	<u>(409,018)</u>	<u>(1,618,470)</u>	<u>1,291,605</u>	<u>2,910,075</u>
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund	<u>(694,691)</u>	<u>-</u>	<u>(694,691)</u>	<u>(694,691)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(694,691)</u>		<u>(694,691)</u>	<u>(694,691)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,904,143)</u>	<u>(409,018)</u>	<u>(2,313,161)</u>	<u>596,914</u>	<u>2,910,075</u>
Fund Balances, July 1	<u>(2,188,381)</u>	<u>(1,886,259)</u>	<u>(4,074,640)</u>	<u>5,928,201</u>	<u>10,002,841</u>
Fund Balances, June 30	<u>\$ (4,092,524)</u>	<u>\$ (2,295,277)</u>	<u>\$ (6,387,801)</u>	<u>\$ 6,525,115</u>	<u>\$ 12,912,916</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 3,099,766	
Emergency Reserve				11,490	
Maintenance Reserve				413,344	
Excess Surplus				674,061	
Excess Surplus--Designated for Subsequent Year's Expenditures				666,061	
Assigned:					
Year-End Encumbrances				643,697	
Designated for Subsequent Year's Expenditures				53,194	
Unassigned				<u>963,502</u>	
				<u>6,525,115</u>	
Reconciliation to Governmental Funds Statements(GAAP):					
Last 19-20 State Aid Payment Not Recognized on GAAP Basis				<u>(2,896,139)</u>	
				<u>\$ 3,628,976</u>	

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
State Sources:					
Preschool Program Aid	\$ 2,093,806		\$ 2,093,806	\$ 1,821,612	\$ (272,194)
Total - State Sources	<u>2,093,806</u>		<u>2,093,806</u>	<u>1,821,612</u>	<u>(272,194)</u>
Federal Sources:					
Title I	1,537,466	\$ (170,120)	1,367,346	1,277,182	(90,164)
Title I SIA		1,307,882	1,307,882	858,106	(449,776)
Title I Rellocated		111,150	111,150	92,569	(18,581)
Title IIA	100,116	27,994	128,110	111,403	(16,707)
Title III	205,028	47,130	252,158	137,767	(114,391)
Title IV	82,857	70,542	153,399	42,083	(111,316)
I.D.E.A., Part B	606,927	108,771	715,698	715,698	-
I.D.E.A., Part B, Preschool		24,124	24,124	24,124	-
CARES Emergency Relief Grant		1,069,345	1,069,345		(1,069,345)
Total - Federal Sources	<u>2,532,394</u>	<u>2,596,818</u>	<u>5,129,212</u>	<u>3,258,932</u>	<u>(1,870,280)</u>
Total Revenues	<u>4,626,200</u>	<u>2,596,818</u>	<u>7,223,018</u>	<u>5,080,544</u>	<u>(2,142,474)</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,680,824	\$ 795,186	\$ 2,476,010	\$ 2,064,567	\$ 411,443
Other Salaries for Instruction	211,196	15,259	226,455	226,455	-
Purchased Professional and Educational Services	122,982	31,277	154,259	84,543	69,716
Other Purchased Services (400-500 Series)	4,594	73	4,667	4,664	3
General Supplies	133,677	204,277	337,954	258,723	79,231
Tuition	606,927	132,895	739,822	739,822	-
Total Instruction	2,760,200	1,178,967	3,939,167	3,378,774	560,393
Support Services:					
Salaries Personnel Services	415,069	68,518	483,587	462,598	20,989
Personnel Services - Employee Benefits	1,274,904	1,180,183	2,455,087	1,138,401	1,316,686
Purchased Professional Educational Services	555,737	85,002	640,739	512,821	127,918
Cleaning, Repair, and Maintenance Services	65,000	-	65,000	62,232	2,768
Rentals	104,650	-	104,650	104,650	-
Other Purchased Services (400-500 series)	103,662	55,385	159,047	79,902	79,145
Contracted Services - Trans (Bet. Home & School)	27,216	123	27,339	26,352	987
Supplies and Materials	14,453	28,640	43,093	9,505	33,588
Total Support Services	2,560,691	1,417,851	3,978,542	2,396,461	1,582,081
Total Expenditures	5,320,891	2,596,818	7,917,709	5,775,235	2,142,474
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	694,691		694,691	694,691	-
Total Outflows	4,626,200	2,596,818	7,223,018	5,080,544	2,142,474
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 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) "revenues" from the budgetary comparison schedules	\$ 51,265,542	\$ 5,080,544
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(47,510)
Prior Year		147,163
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense received July 2019 (GASB 33)	2,658,225	142,540
The last two State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense received July 2020 (GASB 33)	<u>(2,896,139)</u>	<u>(209,381)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 51,027,628</u>	<u>\$ 5,113,356</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 49,973,937	\$ 5,775,235
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(47,510)
Prior Year		147,163
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 49,973,937</u>	<u>\$ 5,874,888</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

ACCOUNTING AND REPORTING FOR PENSIONS

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

	<u>Measurement Date Ending June 30,</u>						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0445676547%	0.0439750829%	0.0468293592%	0.0451968095%	0.0444988772%	0.0444136834%	0.0456354772%
School District's Proportionate Share of the Net Pension Liability	\$ 8,030,415	\$ 8,658,475	\$ 10,901,126	\$ 13,385,999	\$ 9,989,106	\$ 8,315,456	\$ 8,721,846
School District's Covered Payroll (Plan Measurement Period)	\$ 3,244,348	\$ 3,234,536	\$ 3,393,920	\$ 3,251,996	\$ 3,629,444	\$ 3,187,508	\$ 3,315,292
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	247.52%	267.69%	321.20%	411.62%	275.22%	260.88%	263.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	<u>Fiscal Year Ended June 30,</u>						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 498,880	\$ 433,512	\$ 437,410	\$ 433,824	\$ 401,522	\$ 382,571	\$ 366,140
Contributions in Relation to the Contractually Required Contribution	<u>(498,880)</u>	<u>(433,512)</u>	<u>(437,410)</u>	<u>(433,824)</u>	<u>(401,522)</u>	<u>(382,571)</u>	<u>(366,140)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 3,484,633	\$ 3,120,489	\$ 2,945,758	\$ 3,106,987	\$ 3,180,675	\$ 3,071,251	\$ 3,150,796
Contributions as a Percentage of School District's Covered Payroll	14.32%	13.89%	14.85%	13.96%	12.62%	12.46%	11.62%

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

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

	Measurement Date Ending June 30,						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>106,084,488</u>	<u>109,387,485</u>	<u>113,526,980</u>	<u>126,866,345</u>	<u>103,578,894</u>	<u>86,733,626</u>	<u>85,033,581</u>
	<u>\$ 106,084,488</u>	<u>\$ 109,387,485</u>	<u>\$ 113,526,980</u>	<u>\$ 126,866,345</u>	<u>\$ 103,578,894</u>	<u>\$ 86,733,626</u>	<u>\$ 85,033,581</u>
School District's Covered Payroll (Plan Measurement Date)	\$ 22,392,696	\$ 21,624,236	\$ 20,713,536	\$ 20,241,348	\$ 19,269,780	\$ 19,214,192	\$ 18,549,680
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	473.75%	505.86%	548.08%	626.77%	537.52%	451.40%	458.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

This schedule is not applicable.

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

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2020

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 4.68% 2014, 4.13% 2015, 3.22% 2016, 4.25% 2017, 4.86% 2018 and 5.60% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2015 - June 30, 2018 experience study. For pre-retirement mortality, 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 was used. For healthy retirees and beneficiaries, the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males, and a 100.3% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2012- June 30, 2015 experience study.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 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 was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

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

	<u>Measurement Date Ending June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 3,258,662	\$ 3,563,095	\$ 4,307,939
Interest Cost	3,261,270	3,496,581	3,024,155
Difference Between Expected and Actual Experience	(10,685,863)	(8,524,831)	
Changes in Assumptions	1,145,636	(9,426,594)	(12,908,190)
Gross Benefit Payments	(2,358,647)	(2,196,538)	(2,204,056)
Member Contributions	69,917	75,916	81,159
Net Change in Total Non-Employer OPEB Liability	(5,309,025)	(13,012,371)	(7,698,993)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>82,145,383</u>	<u>95,157,754</u>	<u>102,856,747</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 76,836,358</u>	<u>\$ 82,145,383</u>	<u>\$ 95,157,754</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 22,056,483</u>	<u>\$ 21,399,105</u>	<u>\$ 21,152,374</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	348.36%	383.87%	449.87%

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2020

Changes in Benefit Terms - None

Differences Between Expected and Actual Experience - The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience. The decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes of Assumptions - The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions. The decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	<u>Total</u>	<u>Preschool Program Aid</u>	<u>Title I Part A</u>	<u>Title I Reallocation</u>	<u>Title II Part A</u>	<u>Title III</u>	<u>Total Brought Forward</u>
REVENUES:							
State Sources	\$ 1,821,612	\$ 1,821,612					
Federal Sources	3,258,932		\$ 1,277,182	\$ 92,569	\$ 111,403	\$ 137,767	\$ 1,640,011
Total Revenues	\$ 5,080,544	\$ 1,821,612	\$ 1,277,182	\$ 92,569	\$ 111,403	\$ 137,767	\$ 1,640,011
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 2,064,567	\$ 667,977	\$ 814,288	\$ 14,956	\$ 52,420	\$ 49,129	\$ 465,797
Other Salaries for Instruction	226,455	226,455					-
Purchased Professional and Educational Services	84,543	56,063	21,456	7,024			-
Other Purchased Services (400-500 series)	4,664	4,664					-
General Supplies	258,723	27,806	34,614	35,196		66,375	94,732
Tuition	739,822						739,822
Total Instruction	3,378,774	982,965	870,358	57,176	52,420	115,504	1,300,351
Support Services:							
Other Salaries	462,598	421,411	5,684			3,276	32,227
Personnel Services - Employee Benefits	1,138,401	456,229	369,608	1,144	44,448	4,616	262,356
Purchased Professional - Educational Services	512,821	458,283		2,191	8,082	6,000	38,265
Cleaning, Repair, and Maintenance Services	62,232	62,232					-
Rentals	104,650	104,650					-
Other Purchased Services (400-500 series)	79,902		31,329	32,058	6,453	6,551	3,511
Contracted Services - Trans (Bet. Home & School)	26,352	26,352					-
Supplies and Materials	9,505	4,181	203			1,820	3,301
Total Support Services	2,396,461	1,533,338	406,824	35,393	58,983	22,263	339,660
Total Expenditures	5,775,235	2,516,303	1,277,182	92,569	111,403	137,767	1,640,011
Other Financing Sources (Uses):							
Transfer from Operating Budget - Pre K	694,691	694,691					-
Total Outflows	5,080,544	1,821,612	1,277,182	92,569	111,403	137,767	1,640,011
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	<u>Total Carried Forward</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Preschool</u>	<u>Title I SIA</u>	<u>Title IV</u>
REVENUES:					
State Sources					
Federal Sources	\$ 1,640,011	\$ 715,698	\$ 24,124	\$ 858,106	\$ 42,083
Total Revenues	<u>\$ 1,640,011</u>	<u>\$ 715,698</u>	<u>\$ 24,124</u>	<u>\$ 858,106</u>	<u>\$ 42,083</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 465,797			\$ 465,797	
Other Salaries for Instruction	-				
Purchased Professional and Educational Services	-				
Other Purchased Services (400-500 series)	-				
General Supplies	94,732			74,680	\$ 20,052
Tuition	739,822	\$ 715,698	\$ 24,124		
Total Instruction	<u>1,300,351</u>	<u>715,698</u>	<u>24,124</u>	<u>540,477</u>	<u>20,052</u>
Support Services:					
Other Salaries	32,227			30,667	1,560
Personnel Services - Employee Benefits	262,356			262,356	
Purchased Professional - Educational Services	38,265			23,918	14,347
Cleaning, Repair, and Maintenance Services	-				
Rentals	-				
Other Purchased Services (400-500 series)	3,511			688	2,823
Contracted Services - Trans (Bet. Home & School)	-				
Supplies and Materials	3,301				3,301
Total Support Services	<u>339,660</u>	<u>-</u>	<u>-</u>	<u>317,629</u>	<u>22,031</u>
Total Expenditures	<u>1,640,011</u>	<u>715,698</u>	<u>24,124</u>	<u>858,106</u>	<u>42,083</u>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	-				
Total Outflows	<u>1,640,011</u>	<u>715,698</u>	<u>24,124</u>	<u>858,106</u>	<u>42,083</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 737,959	\$ 667,977	\$ 69,982
Other Salaries for Instruction	211,196	226,455	(15,259)
Purchased Professional and Educational Services	122,982	56,063	66,919
Other Purchased Services	4,594	4,664	(70)
General Supplies	30,000	27,806	2,194
Total instruction	<u>1,106,731</u>	<u>982,965</u>	<u>123,766</u>
Support services			
Salaries of Supervisors of Instruction	115,911	118,344	(2,433)
Other Support Salaries	299,157	303,067	(3,910)
Personal Services - Employee Benefits	564,163	456,229	107,934
Purchased Educational Services - Headstart	474,000	449,355	24,645
Other Purchased Services	19,669	8,928	10,741
Cleaning, Repair & Maintenance Services	65,000	62,232	2,768
Rentals	104,650	104,650	-
Contracted Services - Transportation (Bet. Home & School)	27,216	26,352	864
Supplies & Materials	12,000	4,181	7,819
Total support services	<u>1,681,766</u>	<u>1,533,338</u>	<u>148,428</u>
Total expenditures	<u>\$ 2,788,497</u>	<u>\$ 2,516,303</u>	<u>\$ 272,194</u>

Calculation of Budget and Carryover

Total Revised 2019-2020 Preschool Education Aid Allocation	\$ 2,093,806
Add: Actual ECPA Carryover (June 30, 2019)	391,726
Add: Budgeted Transfer from the General Fund 2019-2020	<u>694,691</u>
Total Preschool Education Aid Funds Available for 2019-2020 Budget	3,180,223
Less: 2019-2020 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(2,788,497)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2020	391,726
Add: 2019-20 Unexpended Preschool Education Aid	272,194
Less: 2019-20 Commissioner Approved Transfer to General Fund	<u>-</u>
2019-2020 Carryover -- Preschool Education Aid	<u><u>\$ 663,920</u></u>
2019-2020 Preschool Education Aid Carryover Budgeted in 2020-2021	<u><u>\$ 391,726</u></u>

PROPRIETARY FUND

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Proprietary Fund
Statement of Net Position
June 30, 2020

	Business-Type Activities - <u>Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 439,086
Accounts Receivable:	
State	4,872
Federal	145,628
Inventories	<u>44,105</u>
Total Current Assets	<u>633,691</u>
Noncurrent Assets:	
Equipment	941,508
Less Accumulated Depreciation	<u>(542,954)</u>
Total Noncurrent Assets	<u>398,554</u>
Total Assets	<u>1,032,245</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	<u>4,832</u>
Total Current Liabilities	<u>4,832</u>
NET POSITION:	
Net Investment in Capital Assets	398,554
Unrestricted	<u>628,859</u>
Total Net Position	<u>\$ 1,027,413</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Proprietary Fund
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2020

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 73,134
Daily Sales - Non-Reimbursable Programs	27,166
Special Functions	<u>6,427</u>
Total Operating Revenues	<u>106,727</u>
OPERATING EXPENSES:	
Salaries	460,326
Employee Benefits	109,611
Supplies and Materials	69,419
Cost of Sales - Reimbursable Programs	764,208
Cost of Sales - Non-Reimbursable Programs	15,773
Other Purchased Professional Services	5,621
Management Fee	99,393
Repairs and Maintenance	25,313
Depreciation	42,714
Loss on Disposal of Equipment	<u>322</u>
Total Operating Expenses	<u>1,592,700</u>
Operating Income (Loss)	<u>(1,485,973)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	18,625
Federal Sources:	
Healthy Hunger Free Kids Program	17,705
Fresh Fruits & Vegetables Program	32,222
National School Lunch Program	763,205
After School Snack	8,057
School Breakfast Program	326,266
Summer Feeding Program	242,587
United States Department of Agriculture Commodities	145,837
Interest and Investment Revenue	<u>2,868</u>
Total Nonoperating Revenues	<u>1,557,372</u>
Change in Net Position	71,399
Total Net Position -- July 1	<u>956,014</u>
Total Net Position -- June 30	<u><u>\$ 1,027,413</u></u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 106,727
Payments to Employees	(460,326)
Payments for Employee Benefits	(109,611)
Payments to Suppliers	<u>(856,664)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,319,874)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash Received from Federal and State Reimbursements	<u>1,338,711</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,338,711</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	(32,456)
Loss on Disposal of Equipment	<u>322</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(32,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>2,868</u>
Net Cash Provided by (used for) Investing Activities	<u>2,868</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(10,429)
Cash and Cash Equivalents -- July 1	<u>449,515</u>
Cash and Cash Equivalents -- June 30	<u>\$ 439,086</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,485,973)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	42,714
Federal Commodities	145,837
(Increase) Decrease in Inventories	(23,616)
Increase (Decrease) in Other Current Liabilities	<u>1,164</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,319,874)</u>

FIDUCIARY FUNDS

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2020

	Private Purpose Trust Funds			Agency Funds		
	Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Total <u>Trust Fund</u>	Student <u>Activity</u>	Payroll	Total <u>Agency Fund</u>
ASSETS:						
Cash and Cash Equivalents	\$ 316,098	\$ 2,056	\$ 318,154	\$ 83,875	\$ 284,394	\$ 368,269
Total Assets	<u>316,098</u>	<u>2,056</u>	<u>318,154</u>	<u>\$ 83,875</u>	<u>\$ 284,394</u>	<u>\$ 368,269</u>
LIABILITIES:						
Payable to Student Groups				\$ 83,875		\$ 83,875
Payroll Deductions and Withholdings					\$ 284,394	\$ 284,394
Total Liabilities				<u>\$ 83,875</u>	<u>\$ 284,394</u>	<u>\$ 368,269</u>
NET POSITION:						
Held in Trust for Unemployment Claims and Other Purposes	<u>316,098</u>	<u>2,056</u>	<u>318,154</u>			
Total Net Position	<u>\$ 316,098</u>	<u>\$ 2,056</u>	<u>\$ 318,154</u>			

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2020

	<u>Private Purpose Trust Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	
ADDITIONS:			
Contributions:			
Employee Withholdings	\$ 46,124		\$ 46,124
Employer Contribution	32,289		32,289
Gifts and Contributions		\$ 1,000	1,000
Total Contributions	<u>78,413</u>	<u>1,000</u>	<u>79,413</u>
Investment Earnings:			
Interest	<u>1,943</u>	<u>13</u>	<u>1,956</u>
Net Investment Earnings	<u>1,943</u>	<u>13</u>	<u>1,956</u>
Total Additions	<u>80,356</u>	<u>1,013</u>	<u>81,369</u>
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	100,014		100,014
Scholarships Awarded		1,000	1,000
Total Deductions	<u>100,014</u>	<u>1,000</u>	<u>101,014</u>
Change in Net Position	(19,658)	13	(19,645)
Net Position -- July 1	<u>335,756</u>	<u>2,043</u>	<u>337,799</u>
Net Position -- June 30	<u>\$ 316,098</u>	<u>\$ 2,056</u>	<u>\$ 318,154</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Elementary Schools	\$ 5,544	\$ 17,740	\$ 17,980	\$ 5,304
Middle School	13,297	12,487	16,433	9,351
High School	40,224	124,213	115,491	48,946
Athletics	<u>17,632</u>	<u>23,657</u>	<u>21,015</u>	<u>20,274</u>
Total All Schools	<u>\$ 76,697</u>	<u>\$ 178,097</u>	<u>\$ 170,919</u>	<u>\$ 83,875</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS:				
Cash and Cash Equivalents	\$ 304,787	\$ 10,856,248	\$ 10,876,641	\$ 284,394
Total Assets	<u>\$ 304,787</u>	<u>\$ 10,856,248</u>	<u>\$ 10,876,641</u>	<u>\$ 284,394</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 304,787	\$ 10,856,248	\$ 10,876,641	\$ 284,394
Total Liabilities	<u>\$ 304,787</u>	<u>\$ 10,856,248</u>	<u>\$ 10,876,641</u>	<u>\$ 284,394</u>

LONG-TERM DEBT

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2020

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds of 2003	7/30/03	\$ 1,515,000	10/1/20	\$ 35,000	5.35%	\$ 70,000		\$ 35,000	\$ 35,000
Refunding Bonds of 2015	3/3/15	10,910,000	6/1/21	1,080,000	4.00%	6,485,000		1,100,000	5,385,000
			6/1/22	1,090,000	4.00%				
			6/1/23	1,075,000	4.00%				
			6/1/24	1,080,000	4.00%				
			6/1/25	1,060,000	4.00%				
						<u>6,485,000</u>		<u>1,100,000</u>	<u>5,385,000</u>
						<u>\$ 6,555,000</u>	<u>\$ -</u>	<u>\$ 1,135,000</u>	<u>\$ 5,420,000</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 790,606		\$ 790,606	\$ 790,606	\$ -
Total - Local Sources	790,606		790,606	790,606	-
State Sources:					
Debt Service Aid Type II	606,813		606,813	606,813	-
Total Revenues	1,397,419	-	1,397,419	1,397,419	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	262,419		262,419	262,419	-
Redemption of Principal	1,135,000		1,135,000	1,135,000	-
Total Regular Debt Service	1,397,419	-	1,397,419	1,397,419	-
Total Expenditures	1,397,419	-	1,397,419	1,397,419	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1				1	1
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 1	\$ 1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

Financial Trends Information

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

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 19,603,152	\$ 18,120,939	\$ 16,794,196	\$ 15,505,788	\$ 14,768,369	\$ 10,493,273	\$ 7,918,970	\$ 7,275,595	\$ 6,983,436	\$ 5,554,417
Restricted	4,864,723	4,684,961	4,575,220	3,733,814	4,354,541	7,319,463	9,035,690	3,954,658	3,348,540	2,776,274
Unrestricted (Deficit)	(12,444,597)	(12,612,031)	(12,374,742)	(11,248,716)	(11,297,897)	(10,999,248)	(1,848,835)	(1,560,868)	(1,350,195)	(789,456)
Total Governmental Activities Net Position	\$ 12,023,278	\$ 10,193,869	\$ 8,994,674	\$ 7,990,886	\$ 7,825,013	\$ 6,813,488	\$ 15,105,825	\$ 9,669,385	\$ 8,981,781	\$ 7,541,235
Business-type Activities										
Net Investment in Capital Assets	\$ 398,554	\$ 409,133	\$ 399,954	\$ 410,900	\$ 410,900	\$ 223,664	\$ 231,683	\$ 127,346	\$ 105,440	\$ 114,833
Unrestricted	628,859	546,881	494,247	378,934	378,934	401,367	375,457	459,043	440,081	381,242
Total Business-type Activities Net Position	\$ 1,027,413	\$ 956,014	\$ 894,201	\$ 789,834	\$ 789,834	\$ 625,031	\$ 607,140	\$ 586,389	\$ 545,521	\$ 496,075
District-wide										
Net Investment in Capital Assets	\$ 20,001,706	\$ 18,530,072	\$ 17,194,150	\$ 15,916,688	\$ 15,179,269	\$ 10,716,937	\$ 8,150,653	\$ 7,402,941	\$ 7,088,876	\$ 5,669,250
Restricted	4,864,723	4,684,961	4,575,220	3,733,814	4,354,541	7,319,463	9,035,690	3,954,658	3,348,540	2,776,274
Unrestricted (Deficit)	(11,815,738)	(12,065,150)	(11,880,495)	(10,869,782)	(10,918,963)	(10,597,881)	(1,473,378)	(1,101,825)	(910,114)	(408,214)
Total District-wide Net Position	\$ 13,050,691	\$ 11,149,883	\$ 9,888,875	\$ 8,780,720	\$ 8,614,847	\$ 7,438,519	\$ 15,712,965	\$ 10,255,774	\$ 9,527,302	\$ 8,037,310

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 13,062,048	\$ 12,037,341	\$ 12,034,261	\$ 11,050,899	\$ 11,261,969	\$ 11,057,667	\$ 14,907,622	\$ 14,826,688	\$ 14,897,891	\$ 14,661,654
Special Education	4,272,432	3,862,558	3,666,716	3,588,950	3,344,041	3,248,086	4,248,533	3,870,092	3,996,133	3,729,694
Other Special Education	4,386,249	4,043,848	3,655,361	3,358,450	3,093,573	2,498,004	3,615,204	4,075,205	3,158,930	2,801,838
Support Services:										
Tuition	3,105,149	2,879,858	2,499,250	2,889,140	2,644,095	2,729,627	2,932,045	2,770,487	2,443,259	2,181,191
Student & Instruction Related Services	6,107,821	6,133,817	5,358,642	5,173,429	4,964,134	4,329,966	5,541,569	5,597,494	5,432,045	5,809,206
General and Business Administrative Services	599,024	633,836	565,254	594,395	629,492	608,154	761,716	810,175	632,440	813,817
School Administrative Services	1,801,702	1,773,488	1,714,766	1,772,684	1,758,550	1,744,404	2,271,374	2,158,628	2,101,350	2,072,514
Business Administrative Services	775,091	715,835	641,174	778,629	915,932	926,255	1,139,684	1,149,903	1,228,372	1,194,263
Plant Operations and Maintenance	3,603,055	3,578,140	3,309,311	3,445,377	3,292,293	3,506,721	4,427,868	4,386,444	4,589,609	4,667,562
Pupil Transportation	2,389,328	2,342,264	2,129,484	2,218,096	2,115,856	2,013,381	2,046,297	2,112,168	1,728,714	1,548,395
Unallocated	18,432,272	19,590,065	23,435,443	21,230,947	11,906,972	11,091,851				
Special Schools	171,617	539,086	490,541	475,397	330,703	305,972	252,410	163,701	14,023	39,213
Payment of Bond Issue Costs						149,148				
Interest on Long-term Debt	174,224	219,686	265,466	300,619	316,185	612,838	600,023	842,937	721,522	775,353
Total Governmental Activities Expenses	58,880,012	58,349,822	59,765,669	56,877,012	46,573,795	44,822,074	42,744,345	42,763,922	40,944,288	40,294,700
Business-type Activities:										
Food Service	1,592,700	1,871,232	1,723,280	1,675,577	1,646,981	1,522,209	1,448,127	1,363,897	1,156,489	1,070,533
Total Business-type Activities Expense	1,592,700	1,871,232	1,723,280	1,675,577	1,646,981	1,522,209	1,448,127	1,363,897	1,156,489	1,070,533
Total District Expenses	\$ 60,472,712	\$ 60,221,054	\$ 61,488,949	\$ 58,552,589	\$ 48,220,776	\$ 46,344,283	\$ 44,192,472	\$ 44,127,819	\$ 42,100,777	\$ 41,365,233

(Continued)

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

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 1,076,336	\$ 654,321	\$ 702,160	\$ 985,391	\$ 942,735	\$ 829,453	\$ 714,384	\$ 445,471	\$ 248,950	\$ 4,072,089
Operating Grants and Contributions	8,284,374	10,136,799	13,912,617	4,152,076	4,355,974	3,413,755	3,163,698	3,235,505	3,024,786	
Capital Grants and Contributions	-	66,969								
Total Governmental Activities Program Revenues	<u>9,360,710</u>	<u>10,858,089</u>	<u>14,614,777</u>	<u>5,137,467</u>	<u>5,298,709</u>	<u>4,243,208</u>	<u>3,878,082</u>	<u>3,680,976</u>	<u>3,273,736</u>	<u>4,072,089</u>
Business-type activities:										
Charges for services										
Food Service	106,727	156,817	156,201	150,704	179,476	176,169	177,684	202,231	217,735	189,935
Operating Grants and Contributions	1,554,504	1,771,522	1,669,919	1,652,076	1,503,593	1,363,103	1,290,015	1,199,912	984,891	941,095
Total Business-type Activities Program Revenues	<u>1,661,231</u>	<u>1,928,339</u>	<u>1,826,120</u>	<u>1,802,780</u>	<u>1,683,069</u>	<u>1,539,272</u>	<u>1,467,699</u>	<u>1,402,143</u>	<u>1,202,626</u>	<u>1,131,030</u>
Total District Program Revenues	<u>\$ 11,021,941</u>	<u>\$ 12,786,428</u>	<u>\$ 16,440,897</u>	<u>\$ 6,940,247</u>	<u>\$ 6,981,778</u>	<u>\$ 5,782,480</u>	<u>\$ 5,345,781</u>	<u>\$ 5,083,119</u>	<u>\$ 4,476,362</u>	<u>\$ 5,203,119</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (49,519,302)	\$ (47,491,733)	\$ (45,150,892)	\$ (51,739,545)	\$ (41,275,086)	\$ (40,578,866)	\$ (38,866,263)	\$ (39,082,946)	\$ (37,670,552)	\$ (36,222,611)
Business-type Activities	68,531	57,107	102,840	127,203	36,088	17,063	19,572	38,246	46,137	60,497
Total District-wide Net Expense	<u>\$ (49,450,771)</u>	<u>\$ (47,434,626)</u>	<u>\$ (45,048,052)</u>	<u>\$ (51,612,342)</u>	<u>\$ (41,238,998)</u>	<u>\$ (40,561,803)</u>	<u>\$ (38,846,691)</u>	<u>\$ (39,044,700)</u>	<u>\$ (37,624,415)</u>	<u>\$ (36,162,114)</u>

(Continued)

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

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 13,192,379	\$ 13,312,379	\$ 13,115,644	\$ 12,786,888	\$ 11,702,827	\$ 10,983,163	\$ 10,522,709	\$ 10,316,381	\$ 10,537,989	\$ 11,010,144
Taxes Levied for Debt Service	790,606	808,340	836,318	843,788	963,260	1,049,162	1,053,069	1,076,444	1,087,673	1,085,298
Unrestricted Grants and Contributions	36,684,148	33,860,749	31,515,158	37,565,875	28,945,991	28,319,499	27,913,659	27,611,057	26,664,844	24,484,800
Restricted State Aid	606,813	619,491	643,506	648,975	632,611	595,838	4,689,478	722,141	689,518	1,410,480
Tuition Received	31,020	71,376	23,415	18,349	17,321	13,589		27,521	35,213	48,600
Miscellaneous Income	43,745	18,593	20,639	41,543	24,601	47,124	106,343	17,006	95,861	56,991
Total Governmental Activities	51,348,711	48,690,928	46,154,680	51,905,418	42,286,611	41,008,375	44,302,703	39,770,550	39,111,098	38,096,313
Business-type Activities:										
Investment Earnings	2,868	4,706	1,527	789	723	828	1,179	2,622	3,309	3,116
Total Business-type Activities	2,868	4,706	1,527	789	723	828	1,179	2,622	3,309	3,116
Total District-wide	\$ 51,351,579	\$ 48,695,634	\$ 46,156,207	\$ 51,906,207	\$ 42,287,334	\$ 41,009,203	\$ 44,303,882	\$ 39,773,172	\$ 39,114,407	\$ 38,099,429
Change in Net Position										
Governmental Activities	\$ 1,829,409	\$ 1,199,195	\$ 1,003,788	\$ 165,873	\$ 1,011,525	\$ 429,509	\$ 5,436,440	\$ 687,604	\$ 1,440,546	\$ 1,873,702
Business-type Activities	71,399	61,813	104,367	127,992	36,811	17,891	20,751	40,868	49,446	63,613
Total District	\$ 1,900,808	\$ 1,261,008	\$ 1,108,155	\$ 293,865	\$ 1,048,336	\$ 447,400	\$ 5,457,191	\$ 728,472	\$ 1,489,992	\$ 1,937,315

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

Source: District Records

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Restricted	\$ 5,508,419	\$ 4,960,319	\$ 5,095,615	\$ 4,647,405	\$ 4,453,435	\$ 3,555,734	\$ 4,257,189	\$ 4,776,115	\$ 4,290,449	\$ 3,391,259
Unassigned (Deficit)	(1,932,637)	(1,690,343)	(1,711,026)	(1,627,268)	(1,640,050)	(1,621,331)	(1,548,474)	(1,533,581)	(1,458,232)	(1,373,678)
Total General Fund	\$ 3,575,782	\$ 3,269,976	\$ 3,384,589	\$ 3,020,137	\$ 2,801,893	\$ 1,934,403	\$ 2,708,715	\$ 3,242,534	\$ 2,832,217	\$ 2,017,581
All Other Governmental Funds										
Restricted										
Capital Projects Fund					\$ 192,014	\$ 4,132,960	\$ 5,314,829		\$ 21,396	\$ 887,900
Debt Service Fund	\$ 1	\$ 1	\$ 1	\$ 3,821	3,821					
Unassigned (Deficit), Reported in:										
Special Revenue Fund	(209,381)	(142,540)	(118,342)	(118,342)	(118,342)	(99,540)	(87,374)	\$ (73,284)	(68,750)	(64,520)
Total All Other Governmental Funds	\$ (209,380)	\$ (142,539)	\$ (118,341)	\$ (114,521)	\$ 77,493	\$ 4,033,420	\$ 5,227,455	\$ (73,284)	\$ (47,354)	\$ 823,380

Source: District Records

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues										
Tax Levy	\$ 13,982,985	\$ 14,120,719	\$ 13,951,962	\$ 13,630,676	\$ 12,666,087	\$ 12,032,325	\$ 11,575,778	\$ 11,392,825	\$ 11,625,662	\$ 12,095,442
Tuition Charges	31,020	71,376	23,415	18,349	17,321	13,589	17,445	27,521	35,213	48,600
Interest Earnings	1,076,336	654,321	702,160	985,391	942,735	829,453	714,384	445,471	248,950	245,963
Miscellaneous	43,745	18,745	27,184	41,543	24,601	47,124	106,343	17,006	95,861	56,991
Local Sources			7,695	4,305						
State Sources	38,758,274	35,510,614	33,202,615	31,431,730	30,599,027	29,776,034	33,256,663	28,907,735	27,182,673	26,634,488
Federal Sources	3,646,043	4,001,680	3,284,427	3,292,579	3,335,549	2,553,058	2,510,172	2,660,968	3,196,475	3,332,881
Total Revenue	57,538,403	54,377,455	51,199,458	49,404,573	47,585,320	45,251,583	48,180,785	43,451,526	42,384,834	42,414,365
Expenditures										
Instruction										
Regular Instruction	12,480,717	11,527,598	11,579,946	10,578,399	10,800,858	10,556,630	10,359,195	10,271,887	10,754,950	10,566,790
Special Education Instruction	4,112,210	3,722,607	3,533,018	3,452,067	3,208,234	3,129,233	2,983,164	2,672,666	2,869,217	2,704,093
Other Special Instruction	4,237,822	3,905,730	3,533,189	3,243,162	2,980,792	2,414,736	2,628,664	3,095,136	2,391,715	2,209,220
Support Services:										
Tuition	3,105,149	2,879,858	2,499,250	2,889,140	2,644,095	2,729,627	2,932,045	2,770,487	2,443,259	2,181,191
Student & Instruction Related Services	5,879,592	5,917,699	5,157,200	4,967,982	4,758,351	4,167,163	3,927,108	3,984,989	3,959,050	4,362,118
General Administrative Services	572,198	605,457	540,423	566,997	598,458	581,890	524,271	559,029	452,341	585,307
School Administrative Services	1,721,017	1,694,084	1,639,440	1,690,975	1,671,853	1,669,070	1,563,332	1,489,475	1,502,951	1,490,578
Central Services	483,184	460,273	431,976	482,886	490,595	609,176	735,148	728,578	734,106	653,911
Administrative Information Technology	291,907	255,562	209,198	295,743	425,337	317,079	404,536	421,325	494,266	540,352
Plant Operations and Maintenance	3,450,890	3,425,833	3,169,131	3,292,137	3,136,489	3,359,547	3,047,595	3,026,691	3,282,631	3,356,968
Pupil Transportation	2,283,507	2,238,661	2,037,708	2,117,629	2,014,907	1,927,573	1,408,417	1,457,417	1,236,430	1,113,625
Unallocated Employee Benefits	15,349,413	14,500,645	13,449,994	12,724,648	11,667,638	11,066,918	10,113,239	10,081,155	9,155,652	8,359,543
Special Schools	171,617	539,086	490,541	475,397	330,703	305,972	252,410	163,701	14,023	39,213
Capital Outlay	1,690,352	1,396,092	1,344,495	821,083	4,309,536	2,712,019	730,560	546,018	1,329,668	626,165
Debt Service:										
Principal	1,135,000	1,120,000	1,130,000	1,105,000	1,200,000	1,345,000	1,155,000	1,145,000	1,115,000	1,055,000
Interest and Other Charges	281,669	327,081	372,894	407,013	424,419	527,445	600,023	652,743	705,673	759,504
Total Expenditures	57,246,244	54,516,266	51,118,403	49,110,258	50,662,265	47,419,078	43,364,707	43,066,297	42,440,932	40,603,578
Excess (Deficiency) of Revenues Over (Under) Expenditures	292,159	(138,811)	81,055	294,315	(3,076,945)	(2,167,495)	4,816,078	385,229	(56,098)	1,810,787
Other Financing Sources (Uses)										
Proceeds of Refunding Debt						10,910,000				
Payment to Refunded Debt Escrow Agent						(11,555,000)				
Original Issue Premium						1,032,746				
Loss from Issuance						(238,598)				
Transfers In	694,691	736,777	623,143	811,288	589,358	1,197,074	1,942,606	349,237		
Transfers Out	(694,691)	(736,777)	(623,143)	(811,288)	(589,358)	(1,197,074)	(1,942,606)	(349,237)		
Total Other Financing Sources (Uses)	-	-	-	-	-	149,148	-	-	-	-
Net Change in Fund Balances	\$ 292,159	\$ (138,811)	\$ 81,055	\$ 294,315	\$ (3,076,945)	\$ (2,018,347)	\$ 4,816,078	\$ 385,229	\$ (56,098)	\$ 1,810,787
Debt Service as a Percentage of Noncapital Expenditures	2.5%	2.7%	3.0%	3.1%	3.5%	4.2%	4.1%	4.2%	4.4%	4.5%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Interest on Investments	\$ 31,020	\$ 71,376	\$ 23,415	\$ 18,349	\$ 17,321	\$ 13,589	\$ 17,445	\$ 27,521	\$ 35,213	\$ 48,600
Tuition	1,076,336	654,321	702,160	985,391	942,735	829,453	714,384	445,471	248,950	245,963
Miscellaneous	43,745	18,745	27,184	32,676	24,601	43,304	106,343	17,006	95,861	56,991
	<u>\$ 1,151,101</u>	<u>\$ 744,442</u>	<u>\$ 752,759</u>	<u>\$ 1,036,416</u>	<u>\$ 984,657</u>	<u>\$ 886,346</u>	<u>\$ 838,172</u>	<u>\$ 489,998</u>	<u>\$ 380,024</u>	<u>\$ 351,554</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2019	\$ 7,003,100	\$ 391,856,400	-	-	\$ 54,583,800	\$ 2,179,600	\$ 136,957,200	\$ 592,580,100	\$ 200	\$ 592,580,300	\$ 693,700	\$ 599,838,344	\$ 2.371
2018	6,878,700	393,079,500	-	-	54,877,300	2,179,600	134,957,200	591,972,300	200	591,972,500	131,300	593,575,153	2.371
2017	7,319,300	394,584,400	-	-	53,530,300	2,179,600	135,182,200	592,795,800	200	592,796,000	117,500	582,486,001	2.326
2016	6,758,200	395,779,700	-	-	54,145,900	2,179,600	134,653,300	593,516,700	200	593,516,900	160,600	607,924,716	2.215
2015	7,641,500	396,879,900	-	-	53,192,000	2,179,600	135,053,300	594,946,300	200	594,946,500	207,000	631,109,048	2.075
2014	7,263,500	398,235,000	-	-	53,355,600	2,179,600	134,257,600	595,291,300	200	595,291,500	284,400	616,754,551	1.967
2013	7,260,800	401,778,800	-	-	53,721,000	2,179,600	142,694,600	607,634,800	1,155,230	608,790,030	304,600	629,851,350	1.901
2012	5,407,800	286,132,400	-	-	35,019,400	1,443,400	79,485,800	407,488,800	734,665	408,223,465	497,900	689,333,781	2.819
2011	5,517,500	286,859,800	-	-	36,267,800	1,443,400	86,942,000	417,030,500	698,852	417,729,352	604,300	756,481,985	2.839
2010	5,428,300	286,186,900	-	-	37,177,400	1,411,100	87,600,000	417,803,700	814,107	418,617,807	625,500	798,491,466	2.840

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

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

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

Source: Municipal Tax Assessor

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Regional School District	Borough of Lindenwold	County of Camden	
2019	\$ 2.236	\$ 0.135	\$ 2.371	\$ -	\$ 1.674	\$ 0.877	4.922
2018	2.232	0.139	2.371	-	1.643	0.896	4.910
2017	2.185	0.014	2.326	-	1.613	1.041	4.980
2016	2.063	0.152	2.215	-	1.575	0.906	4.696
2015	1.907	0.168	2.075	-	1.485	0.933	4.493
2014	1.789	0.178	1.967	-	1.455	0.873	4.295
2013	1.728	0.173	1.901	-	1.401	0.854	4.156
2012	2.554	0.265	2.819	-	2.159	1.298	6.276
2011	2.579	0.260	2.839	-	2.062	1.291	6.192
2010	2.596	0.244	2.840	-	1.941	1.246	6.027

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

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

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

Source: Municipal Tax Collector

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

<u>Taxpayer</u>	2019			2009		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Pine Lake Landings LLC	\$ 25,500,000	1	4.31%	\$ 12,366,900	1	2.96%
Hamilton Stonington, LLC	15,000,000	3	2.53%	10,000,000	2	2.40%
Woodland Village	15,725,000	2	2.66%	8,200,000	4	1.96%
Trent Court	11,350,000	4	1.92%	7,150,000	5	1.71%
Timber Ridge, LLC	11,100,000	5	1.88%	6,100,000	6	1.46%
550 Bilper, LLC	10,528,000	6	1.78%	9,436,900	3	2.26%
Kingsrows NJ LLC	8,500,000	7	1.44%	4,771,700	8	1.14%
Heathers Realty, LLC	7,070,200	8	1.19%	5,315,800	7	1.27%
Birchwood Quail	6,695,000	9	1.13%			
Gibbsboror Realty LLC	5,000,000	10	0.84%	4,200,000	9	1.01%
Scandia Realty, LLC				2,975,000	10	0.71%
Total	\$ 116,468,200		19.67%	\$ 70,516,300		16.89%

Source: Municipal Tax Assessor

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	School Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2020	\$ 13,192,379	\$ 13,192,379	100.00%	-
2019	13,312,379	13,312,379	100.00%	-
2018	13,115,644	13,115,644	100.00%	-
2017	12,786,884	12,786,884	100.00%	-
2016	12,666,087	12,666,087	100.00%	-
2015	12,032,325	12,032,325	100.00%	-
2014	11,575,778	11,575,778	100.00%	-
2013	11,392,825	11,392,825	100.00%	-
2012	11,625,662	11,625,662	100.00%	-
2011	12,095,442	12,095,442	100.00%	-

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		<u>Total District</u>	<u>Percentage of Personal Income (2)</u>	
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>			<u>Per Capita (2)</u>	
2020	\$ 5,420,000	-	-	-	-	\$ 5,420,000	1.38%	\$ 314	
2019	6,555,000	-	-	-	-	6,555,000	1.66%	379	
2018	7,675,000	-	-	-	-	7,675,000	1.93%	439	
2017	8,805,000	-	-	-	-	8,805,000	2.21%	503	
2016	9,910,000	-	-	-	-	9,910,000	2.49%	567	
2015	11,110,000	-	-	-	-	11,110,000	2.79%	636	
2014	13,100,000	-	-	-	-	13,100,000	3.29%	750	
2013	14,255,000	-	-	-	-	14,255,000	3.56%	812	
2012	15,400,000	-	-	-	-	15,400,000	3.84%	576	
2011	16,515,000	-	-	-	-	16,515,000	4.11%	938	

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

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

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

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

Fiscal Year Ended June 30.	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2020	\$ 5,420,000	-	\$ 5,420,000	0.91%	NA
2019	6,555,000	-	6,555,000	1.11%	NA
2018	7,675,000	-	7,675,000	1.35%	NA
2017	8,805,000	-	8,805,000	1.48%	NA
2016	9,910,000	-	9,910,000	1.67%	NA
2015	11,110,000	-	11,110,000	1.87%	NA
2014	13,100,000	-	13,100,000	2.20%	NA
2013	14,255,000	-	14,255,000	2.34%	NA
2012	15,400,000	-	15,400,000	NA	NA
2011	16,515,000	-	16,515,000	3.95%	NA

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

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2019
 Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Lindenwold</u>	<u>County Debt Authorized But Not Issued</u>
Municipal Debt: (1)					
Borough of Lindenwold School District	\$ 6,520,000	\$ 6,520,000			
Borough of Lindenwold	8,563,459	3,037,476	\$ 5,525,983	\$ 5,525,983	
	<u>15,083,459</u>	<u>9,557,476</u>	<u>5,525,983</u>	<u>5,525,983</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	40,475,000	17,734,529 (3)	22,740,471	350,203 (5)	\$ 44,848,356
	35,461,125		35,461,125	546,101	
Loan Agreement	340,001,133		340,001,133	5,236,017 (5)	
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>260,305,410</u>	<u>260,305,410 (4)</u>			
	<u>676,242,668</u>	<u>278,039,939</u>	<u>398,202,729</u>	<u>6,132,321</u>	<u>44,848,356</u>
	<u>\$ 691,326,127</u>	<u>\$ 287,597,415</u>	<u>\$ 403,728,712</u>	<u>\$ 11,658,304</u>	<u>\$ 44,848,356</u>

Sources:

- (1) 2019 Annual Debt Statement
 - (2) County of Camden
 - (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
 - (4) Deductible in accordance with N.J.S. 40:37A-80.
 - (5) Such debt is allocated as a proportion of the Borough's share of the total 2019 Equalized Value, which is 1.54%.
- The source for this computation was the 2019 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation basis

	2019	\$ 600,364,562
	2018	594,102,641
	2017	<u>583,048,035</u>
	[A]	<u>\$ 1,777,515,238</u>
Average equalized valuation of taxable property	[A/3]	<u>\$ 592,505,079</u>
Debt limit (4% of average equalization value) (1)	[B]	\$ 23,700,203
Total Net Debt Applicable to Limit	[C]	<u>5,420,000</u>
Legal Debt Margin	[B-C]	<u>\$ 18,280,203</u>

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt limit	\$ 23,700,203	\$ 23,786,478	\$ 24,310,823	\$ 16,536,849	\$ 24,739,627	\$ 25,266,412	\$ 26,423,872	\$ 31,177,432	\$ 31,323,502	\$ 31,953,076
Total net debt applicable to limit	<u>5,420,000</u>	<u>6,555,000</u>	<u>7,675,000</u>	<u>8,805,000</u>	<u>9,910,000</u>	<u>11,110,000</u>	<u>13,100,000</u>	<u>14,255,000</u>	<u>15,400,000</u>	<u>16,515,000</u>
Legal debt margin	<u>\$ 18,280,203</u>	<u>\$ 17,231,478</u>	<u>\$ 16,635,823</u>	<u>\$ 7,731,849</u>	<u>\$ 14,829,627</u>	<u>\$ 14,156,412</u>	<u>\$ 13,323,872</u>	<u>\$ 16,922,432</u>	<u>\$ 15,923,502</u>	<u>\$ 15,438,076</u>
Total net debt as a percentage of debt limit	22.87%	27.56%	31.57%	53.24%	40.06%	43.97%	49.58%	45.72%	49.16%	51.69%

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2019	17,263	\$ 393,475,559	\$ 22,793	5.1%
2018	17,314	394,638,002	22,793	4.6%
2017	17,471	398,216,503	22,793	6.6%
2016	17,491	398,672,363	22,793	6.9%
2015	17,467	398,125,331	22,793	7.1%
2014	17,479	398,398,847	22,793	8.3%
2013	17,478	398,376,054	22,793	10.2%
2012	17,559	400,222,287	22,793	11.1%
2011	17,589	400,906,077	22,793	12.8%
2010	17,613	401,453,109	22,793	11.4%

Source:

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

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

<u>Employer</u>	<u>2020</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>
McDonalds	60	3	10.64%	58	3	8.25%
Advanced Scal Co.	35	5	6.21%	34	6	4.84%
Wawa	80	2	14.18%	58	4	8.25%
Deterdings Market	40	4	7.09%	48	5	6.83%
William Hall	20	7	3.55%	25	9	3.56%
Walgreens				30	7	4.27%
Dollar Tree	5	10	0.89%			
Vacuum Sales	17	8	3.01%	21	10	2.99%
Pufferbelly				29	8	4.13%
PATCO Lindenwold Station	266	1	47.16%	300	1	42.67%
Camden County Dept. of Public Works				100	2	14.22%
Forever Young Learning Center	23	6	4.08%			
La Esperanza	18	9	3.19%			
	<u>564</u>		<u>100.00%</u>	<u>703</u>		<u>100.00%</u>

Source: Individual Employers

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

	Fiscal Year Ended June 30,									
<u>Function/Program</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Instruction										
Regular	177.8	191.4	197.6	177.6	168.7	164.1	183.0	205.0	168.5	202.0
Special education	133.2	118.8	94.7	103.3	108.9	100.5	72.5	55.0	85.0	71.5
Other special education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other instruction	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Nonpublic school programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult/continuing education programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Services:										
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Student & instruction related services	66.6	61.8	60.0	54.5	43.6	40.3	48.7	44.0	44.5	51.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	22.3	22.8	21.8	20.1	22.0	21.0	18.0	19.0	19.0	18.0
Business administrative services	6.0	6.0	6.0	7.0	9.0	10.0	5.0	5.0	5.0	5.0
Plant operations and maintenance	38.9	37.9	37.5	37.1	35.8	36.8	29.5	26.0	26.5	26.0
Pupil transportation	2.5	2.5	2.5	2.0	1.0	1.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	12.0	12.0	15.0	0.0
Special Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Food Service	5.5	5.0	5.0	5.0	5.0	4.8	4.8	4.0	0.0	0.0
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	456.8	450.2	429.1	410.6	398.0	382.5	377.5	374.0	367.5	376.5

Source: District Personnel Records

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

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Pupil/Teacher Ratio</u>			<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle School</u>	<u>High School</u>				
2020	2,889	\$ 54,139,223	\$ 18,739.78	7.81%	N/A	N/A	N/A	N/A	2,935	2,744	5.61%	93.49%
2019	2,949	51,673,093	17,522.24	0.80%	N/A	N/A	N/A	N/A	2,779	2,610	0.33%	93.92%
2018	2,777	48,271,014	17,382.43	1.22%	N/A	N/A	N/A	N/A	2,770	2,603	1.34%	93.98%
2017	2,725	46,796,412	17,173.00	4.97%	N/A	N/A	N/A	N/A	2,733	2,578	-1.05%	94.32%
2016	2,734	44,728,310	16,360.03	0.25%	N/A	N/A	N/A	N/A	2,762	2,612	4.66%	94.57%
2015	2,634	42,983,762	16,318.82	-1.28%	N/A	N/A	N/A	N/A	2,639	2,500	7.45%	94.73%
2014	2,473	40,879,124	16,530.18	0.14%	N/A	N/A	N/A	N/A	2,456	2,333	1.53%	94.99%
2013	2,467	40,722,536	16,506.91	3.22%	N/A	N/A	N/A	N/A	2,419	2,293	5.13%	94.80%
2012	2,457	39,290,591	15,991.29	-3.20%	N/A	N/A	N/A	N/A	2,301	2,198	2.68%	94.42%
2011	2,310	38,162,909	16,520.74	-4.99%	N/A	N/A	N/A	N/A	2,241	2,130	1.59%	92.07%

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

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>District Building</u>										
<u>Elementary</u>										
School 4 (1956)										
Square Feet	56,501	56,501	56,501	56,501	56,501	56,501	56,501	56,501	56,501	56,501
Capacity (students)	520	520	520	520	520	520	520	520	520	520
Enrollment	601	621	700	667	629	629	576	584	530	463
School 5 (1965)										
Square Feet	52,691	52,691	52,691	52,691	52,691	52,691	52,691	52,691	52,691	52,691
Capacity (students)	538	538	538	538	538	538	538	538	538	538
Enrollment	596	593	522	527	576	576	609	615	589	615
Preschool (1923)										
Square Feet (approx.)	30,000	30,000	30,000	30,000	30,000	30,000	N/A	N/A	N/A	N/A
Capacity (students)	180	180	180	180	180	180	N/A	N/A	N/A	N/A
Enrollment	131	159	166	164	139	139	N/A	N/A	N/A	N/A
<u>Middle School</u>										
Lindenwold Middle School (1957)										
Square Feet	96,947	96,947	96,947	96,947	96,947	96,947	96,947	96,947	96,947	96,947
Capacity (students)	641	641	641	641	641	641	641	641	641	641
Enrollment	925	831	775	758	705	705	653	667	668	666
<u>High School</u>										
Lindenwold High School (2001)										
Square Feet	158,575	158,575	158,575	158,575	158,575	158,575	158,575	158,575	158,575	158,575
Capacity (students)	751	751	751	751	751	751	751	751	751	751
Enrollment	617	533	576	561	532	532	580	601	503	540
<u>Other</u>										
Central Administration (2008)										
Square Feet	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944
Number of Schools at June 30, 2020										
Elementary = 3										
Middle School = 1										
High School = 1										

Source: District records, ASSA

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

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
School #4	N/A	\$ 63,930	\$ 76,435	\$ 46,778	\$ 45,410	\$ 32,893	\$ 60,702	\$ 21,233	\$ 58,669	\$ 74,407	\$ 46,934
School #5	N/A	55,511	51,045	23,852	25,211	34,092	56,404	25,314	20,957	93,619	46,617
Middle School	N/A	186,165	138,336	111,150	128,199	66,604	100,959	97,920	66,497	78,645	86,846
High School	N/A	162,944	99,235	87,351	92,065	79,518	97,377	74,698	116,171	207,943	198,381
Other Facilities	N/A	4,204	3,933	3,930	2,723	1,923	3,302	2,908	2,735	4,019	4,878
Total School Facilities		472,754	368,984	273,061	293,608	215,030	318,744	222,073	265,029	458,633	383,656
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 472,754</u>	<u>\$ 368,984</u>	<u>\$ 273,061</u>	<u>\$ 293,608</u>	<u>\$ 215,030</u>	<u>\$ 318,744</u>	<u>\$ 222,073</u>	<u>\$ 265,029</u>	<u>\$ 458,633</u>	<u>\$ 383,656</u>

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

Source: District Records

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Insurance Schedule

June 30, 2020

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1) - Great American		
Property - blanket building & contents	\$175,000,000	\$500
Boiler and Machinery - Travelers Insurance Co.	\$125,000,000	\$1,000
Crime	\$500,000	\$500
General and Automobile Liability	\$20,000,000	None
Educator's Legal Liability	\$20,000,000	None
Pollution Legal Liability - Beazley Inc. Co., Inc.	\$3,000,000	\$25,000
Cyber Liability - Starr Surplus Lines Ins. Co.	\$2,000,000	\$10,000
Violent Malicious Acts - Lloyd's of London	\$1,000,000	\$15,000
Disaster Management Services - Lloyd's of London	\$2,000,000	\$15,000
 Workers' Compensation	 Statutory	
 Surety Bonds - Hartford Insurance Company		
Treasurer	\$230,000	
Board Secretary/Business Administrator	\$100,000	

(1) List Insurance Company

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Lindenwold School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2020. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and New Jersey Circular 15-08-OMB and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as 2020-001*. Our opinion on each major federal and state program is not modified with respect to this matter.

The Borough of Lindenwold School District's response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

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

Voorhees, New Jersey
January 22, 2021

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2020

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2019	Carryover / (Walkover) Amount
					From	To		
General Fund:								
U.S. Department of Health and Human Services								
Passed-through State Department of Human Services:								
Medicaid Cluster								
Medical Assistance Program (Medicaid)	93.778	2005NJ5MAP	100-054-7540-211	\$ 144,441	7-1-2019	6-30-2020		
Total Medicaid Cluster							-	-
Total General Fund							-	-
Special Revenue Fund:								
U.S. Department of Education								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I Grants to Local Education Agencies (Title I, Part A)	84.010	S010A180030	ESSA267019	1,530,750	7-1-2018	6-30-2019	\$ (431,239)	
Title I Grants to Local Education Agencies (Title I SIA, Part A)	84.010	S010A180030	ESSA267019	796,724	7-1-2018	6-30-2019	(110,572)	
Title I Grants to Local Education Agencies (Title I Reallocated)	84.010	S010A180030	ESSA267019	82,752	2-1-2019	6-30-2019	(22,870)	
Title I Grants to Local Education Agencies (Title I, Part A)	84.010	S010A190030	ESSA267020	1,367,346	7-1-2019	9-30-2020		
Title I Grants to Local Education Agencies (Title I SIA, Part A)	84.010	S010A190030	ESSA267020	1,307,882	7-1-2019	9-30-2020		
Title I Grants to Local Education Agencies (Title I Reallocated)	84.010	S010A190030	ESSA267020	111,151	7-1-2019	9-30-2020		
Total Title I Grants to Local Education Agencies							(564,681)	-
Supporting Effective Instruction State Grant (Title II, Part A)	84.367	S367A180029	ESSA267019	117,783	7-1-2018	6-30-2019	(34,248)	
Supporting Effective Instruction State Grant (Title II, Part A)	84.367	S367A190029	ESSA267020	128,110	7-1-2019	9-30-2020		
Total Supporting Effective Instruction State Grant							(34,248)	-
English Language Acquisition Grants (Title III)	84.365	S365A180030	ESSA267019	227,241	7-1-2018	6-30-2019	(48,523)	
English Language Acquisition Grants (Title III)	84.365	S365A190030	ESSA267020	252,158	7-1-2019	9-30-2020		
Total English Language Acquisition Grants (Title III)							(48,523)	-
English Language Acquisition Grants (Title III Immigrant)	84.365	S011A180030	ESSA267019	13,968	7-1-2018	6-30-2019	(5,525)	
Total English Language Acquisition Grants, (Title III Immigrant)							(5,525)	-
Student Support and Academic Enrichment Grants (Title IV)	84.424	S424A180031	ESSA267019	97,479	7-1-2018	6-30-2019	(20,418)	
Student Support and Academic Enrichment Grants (Title IV)	84.424	S424A190031	ESSA267020	153,399	7-1-2019	9-30-2020		
Total Student Support and Academic Enrichment Grants							(20,418)	-
Special Education Cluster (IDEA):								
Special Education - Grants to States (IDEA, Part B)	84.027	H027A180100	IDEA267019	688,369	7-1-2018	6-30-2019	(175,256)	
Special Education - Grants to States (IDEA, Part B)	84.027	H027A190100	IDEA267020	715,698	7-1-2019	9-30-2020		
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A190114	IDEA267020	24,124	7-1-2019	9-30-2020		
Total Special Education Cluster (IDEA)							(175,256)	-
ARRA - Race to the Top - Preschool Development Expansion Grant	84.419	S419B150020	15-100-034-5069-031-H350-D005	812,869	1-1-2018	12-31-2018	(305,889)	
Total ARRA - Race to the Top - Preschool Development Expansion Grant							(305,889)	-
Total Special Revenue Fund							(1,154,540)	-
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
Non-Cash Assistance:								
National School Lunch Program - Commodities	10.555	191NJ304N1099	N/A	145,837	7-1-2019	6-30-2020		
Total Non-Cash Assistance								
Cash Assistance:								
National School Lunch Program (NSLP)	10.555	191NJ304N1099	N/A	1,048,937	7-1-2018	6-30-2019	(50,753)	
National School Lunch Program (NSLP)	10.555	201NJ304N1099	N/A	763,205	7-1-2019	6-30-2020		
Healthy Hunger Free Kids Act (HHFKA)	10.555	191NJ304N1099	N/A	21,742	7-1-2018	6-30-2019	(1,037)	
Healthy Hunger Free Kids Act (HHFKA)	10.555	201NJ304N1099	N/A	17,705	7-1-2019	6-30-2020		
After School Snack	10.555	191NJ304N1099	N/A	13,217	7-1-2018	6-30-2019	(739)	
After School Snack	10.555	201NJ304N1099	N/A	8,057	7-1-2019	6-30-2020		
School Breakfast Program (SBP)	10.553	191NJ304N1099	N/A	485,309	7-1-2018	6-30-2019	(25,058)	
School Breakfast Program (SBP)	10.553	201NJ304N1099	N/A	326,266	7-1-2019	6-30-2020		
Summer Food Service Program (SFSP)	10.559	201NJ304N1099	N/A	7,764	7-1-2019	6-30-2020		
Summer Food Service Program - COVID-19 Cares Act (SFSP)	10.559	201NJ304N1099	N/A	234,823	3-16-2020	6-30-2020		
Total Cash Assistance							(77,587)	-
Total Child Nutrition Cluster							(77,587)	-
Fresh Fruits and Vegetable Program	10.582	201NJ304L1603	N/A	35,849	7-1-2018	6-30-2019	(2,018)	
Fresh Fruits and Vegetable Program	10.582	191NJ304L1603	N/A	32,222	7-1-2019	6-30-2020		
Total Fresh Fruits and Vegetable Program							(2,018)	
Total Enterprise Fund							(79,605)	-
Total Federal Financial Assistance							\$ (1,234,145)	\$ -

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

Cash Received	Budgetary Expenditures			Passed-Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2020		
	Pass-through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 144,441	\$ 144,441		\$ 144,441						
144,441	144,441	-	144,441	-	-	-	-	-	-
144,441	144,441	-	144,441	-	-	-	-	-	-
431,239									
110,572									
22,870									
1,170,301	1,277,185		1,277,185				\$ (106,884)		
775,044	858,106		858,106				(83,062)		
59,355	92,569		92,569				(33,214)		
2,569,381	2,227,860	-	2,227,860	-	-	-	(223,160)	-	-
34,248									
102,457	111,403		111,403				(8,946)		
136,705	111,403	-	111,403	-	-	-	(8,946)	-	-
48,523									
104,021	137,767		137,767	\$ 45,316			(33,746)		
152,544	137,767	-	137,767	45,316	-	-	(33,746)	-	-
5,525									
5,525	-	-	-	-	-	-	-	-	-
20,418									
14,547	42,084		42,084				(27,537)		
34,965	42,084	-	42,084	-	-	-	(27,537)	-	-
175,256									
622,078	715,698		715,698				(93,620)		
24,124	24,124		24,124				-		
821,458	739,822	-	739,822	-	-	-	(93,620)	-	-
305,889									
305,889	-	-	-	-	-	-	-	-	-
4,026,467	3,258,936	-	3,258,936	45,316	-	-	(387,009)	-	-
145,837	145,837		145,837						
145,837	145,837		145,837						
50,753									
763,205	763,205		763,205						
1,037									
17,705	17,705		17,705						
739									
8,057	8,057		8,057						
25,058									
326,266	326,266		326,266						
7,764	7,764		7,764						
92,585	234,823		234,823				(142,238)		
1,293,169	1,357,820	-	1,357,820	-	-	-	(142,238)	-	-
1,439,006	1,503,657	-	1,503,657	-	-	-	(142,238)	-	-
2,018									
28,831	32,222		32,222				(3,391)		
30,849	32,222		32,222				(3,391)		
1,469,855	1,535,879	-	1,535,879	-	-	-	(145,629)	-	-
\$ 5,640,763	\$ 4,939,256	\$ -	\$ 4,939,256	\$ 45,316	\$ -	\$ -	\$ (532,638)	\$ -	\$ -

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2020

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2019	
				From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor
General Fund:							
New Jersey Department of Education:							
State Aid - Public Cluster:							
Equalization Aid	495-034-5120-078	\$ 23,200,961		7-1-2018	6-30-2019	\$ (2,280,138)	
Equalization Aid	495-034-5120-078	25,683,742		7-1-2019	6-30-2020		
School Choice	495-034-5120-068	297,472		7-1-2018	6-30-2019	(29,747)	
School Choice	495-034-5120-068	246,934		7-1-2019	6-30-2020		
Security Aid	495-034-5120-084	1,217,920		7-1-2018	6-30-2019	(121,792)	
Security Aid	495-034-5120-084	1,217,920		7-1-2019	6-30-2020		
Special Education Aid	495-034-5120-089	1,431,101		7-1-2018	6-30-2019	(143,110)	
Special Education Aid	495-034-5120-089	1,431,101		7-1-2019	6-30-2020		
Total State Aid - Public Cluster						<u>(2,574,787)</u>	<u>-</u>
Transportation Aid:							
Transportation Aid	495-034-5120-014	834,376		7-1-2018	6-30-2019	(83,438)	
Transportation Aid	495-034-5120-014	834,376		7-1-2019	6-30-2020		
Nonpublic Transportation Aid	495-034-5120-014	27,336		7-1-2018	6-30-2019	(27,336)	
Nonpublic Transportation Aid	495-034-5120-014	11,172		7-1-2019	6-30-2020		
Total Transportation Aid						<u>(110,774)</u>	<u>-</u>
Extraordinary Special Education Aid Costs							
Extraordinary Special Education Aid Costs	495-034-5120-044	260,400		7-1-2018	6-30-2019	(260,400)	
Extraordinary Special Education Aid Costs	495-034-5120-044	228,493		7-1-2019	6-30-2020		
Total Extraordinary Aid						<u>(260,400)</u>	<u>-</u>
Reimbursed T.P.A.F. Social Security Contributions							
Reimbursed T.P.A.F. Social Security Contributions	495-034-5094-003	1,403,423		7-1-2018	6-30-2019	(110,545)	
Reimbursed T.P.A.F. Social Security Contributions	495-034-5094-003	1,540,651		7-1-2019	6-30-2020		
Total Reimbursed T.P.A.F. Social Security Contributions						<u>(110,545)</u>	<u>-</u>
On-Behalf T.P.A.F. Contributions (non-budgeted):							
On-Behalf T.P.A.F. Pension - Post-Retirement Medical	495-034-5094-001	1,469,710		7-1-2019	6-30-2020		
On-Behalf T.P.A.F. Pension - Normal Cost	495-034-5094-002	3,891,918		7-1-2019	6-30-2020		
On-Behalf T.P.A.F. Pension - Non-contributory Insurance	495-034-5094-004	69,758		7-1-2019	6-30-2020		
On-Behalf T.P.A.F. Pension - Long-Term Disability Insurance	495-034-5094-004	4,757		7-1-2019	6-30-2020		
Total On-Behalf TPAF Pension Contributions (non-budgeted)						<u>-</u>	<u>-</u>
Total General Fund						<u>(3,056,506)</u>	<u>-</u>
Special Revenue Fund:							
New Jersey Department of Education							
Preschool Education Aid	495-034-5120-086	1,223,743	\$ 736,777	7-1-2018	6-30-2019	269,351	
Preschool Education Aid	495-034-5120-086	2,093,806	694,691	7-1-2019	6-30-2020		
Preschool Education Expansion Aid	495-034-5120-086	201,657		7-1-2018	6-30-2019	(20,166)	
Total Preschool Education Aid						<u>249,185</u>	<u>-</u>
Total Special Revenue Fund						<u>249,185</u>	<u>-</u>
Debt Service Fund:							
New Jersey Department of Education							
Debt Service Aid Type II	495-034-5120-075	606,813		7-1-2019	6-30-2020		
Enterprise Fund:							
New Jersey Department of Agriculture							
Child Nutrition Cluster							
State School Lunch Program	100-010-3350-023	19,682		7-1-2018	6-30-2019	(940)	
State School Lunch Program	100-010-3350-023	18,625		7-1-2019	6-30-2020		
Total Enterprise Fund						<u>(940)</u>	<u>-</u>
Total State Financial Assistance						<u>\$ (2,808,261)</u>	<u>\$ -</u>
Less State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of Education:							
On-Behalf T.P.A.F. Pension - Post-Retirement Medical	495-034-5094-001	1,469,710		7-1-2019	6-30-2020		
On-Behalf T.P.A.F. Pension - Normal Cost	495-034-5094-002	3,891,918		7-1-2019	6-30-2020		
On-Behalf T.P.A.F. Pension - Non-contributory Insurance	495-034-5094-004	69,758		7-1-2019	6-30-2020		
On-Behalf T.P.A.F. Pension - Long-Term Disability Insurance	495-034-5094-004	4,757		7-1-2019	6-30-2020		
Total General Fund (Non-Cash Assistance)							
Total State Financial Assistance subject to Major Program Determination for State Single Audit							

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

Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			Memo	
						Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2020	Cumulative Total Expenditures
	\$ 2,280,138									
	23,160,636	\$ 25,683,742				\$ (2,523,106)			\$ (2,523,106)	\$ 25,683,742
	29,747									
	222,241	246,934				(24,693)			(24,693)	246,934
	121,792									
	1,096,128	1,217,920				(121,792)			(121,792)	1,217,920
	143,110									
	1,287,991	1,431,101				(143,110)			(143,110)	1,431,101
-	28,341,783	28,579,697	-	-	-	(2,812,701)	-	-	(2,812,701)	28,579,697
	83,438									
	750,938	834,376				(83,438)			(83,438)	834,376
	27,336									
		11,172				(11,172)				11,172
-	861,712	845,548	-	-	-	(94,610)	-	-	(83,438)	845,548
	260,400									
		228,493				(228,493)				228,493
-	260,400	228,493	-	-	-	(228,493)	-	-	-	228,493
	110,545									
	1,464,564	1,540,651				(76,087)				1,540,651
-	1,575,109	1,540,651	-	-	-	(76,087)	-	-	-	1,540,651
	1,469,710	1,469,710								1,469,710
	3,891,918	3,891,918								3,891,918
	69,758	69,758								69,758
	4,757	4,757								4,757
-	5,436,143	5,436,143	-	-	-	-	-	-	-	5,436,143
-	36,475,147	36,630,532	-	-	-	(3,211,891)	-	-	(2,896,139)	36,630,532
	122,374	391,725								391,725
	2,579,116	2,124,579				(209,381)	\$ 663,918		(209,381)	2,124,579
	20,166									
-	2,721,656	2,516,304	-	-	-	(209,381)	663,918	-	(209,381)	2,516,304
-	2,721,656	2,516,304	-	-	-	(209,381)	663,918	-	(209,381)	2,516,304
	606,813	606,813								606,813
	940									
	13,752	18,625				(4,873)				18,625
-	14,692	18,625	-	-	-	(4,873)	-	-	-	18,625
\$ -	\$ 39,818,308	\$ 39,772,274	\$ -	\$ -	\$ -	\$ (3,426,145)	\$ 663,918	\$ -	\$ (3,105,520)	\$ 39,772,274

(1,469,710)
(3,891,918)
(69,758)
(4,757)
(5,436,143)
\$ 34,336,131

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(237,914) for the general fund and \$32,812 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 144,441	\$ 36,392,618	\$ 36,537,059
Special Revenue	3,212,078	2,396,668	5,608,746
Debt Service		606,813	606,813
Food Service	1,535,879	18,625	1,554,504
GAAP Basis Revenues	4,892,398	39,414,724	44,307,122
GAAP Adjustments:			
State Aid Payments		304,755	304,755
Encumbrances	46,858	52,795	99,653
	46,858	357,550	404,408
Total Awards and Financial Assistance Expended	<u>\$ 4,939,256</u>	<u>\$ 39,772,274</u>	<u>\$ 44,711,530</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2020, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2020

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issue _____ Unmodified _____

Internal control over financial reporting

 Material weakness(es) identified' _____ yes x no

 Significant deficiency(ies) identified' _____ yes x none reportec

Noncompliance material to financial statements notec _____ yes x no

Federal Awards

Internal control over major program:

 Material weakness(es) identified' _____ yes x no

 Significant deficiency(ies) identified' _____ yes x none reportec

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 201 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? _____ x yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Child Nutrition Cluster
<u>10.553</u>	<u>NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>NJ304N1099</u>	<u>Healthy Hunger Free Kids Act</u>
<u>10.555</u>	<u>NJ304N1099</u>	<u>After School Snack Program</u>
<u>10.559</u>	<u>NJ304N1099</u>	<u>Summer Food Service Program - COVID-19 Cares Act</u>
<u>10.559</u>	<u>NJ304N1099</u>	<u>Summer Food Service Program</u>
<u>10.555</u>	<u>NJ304N1099</u>	<u>National School Lunch Program - Commodities</u>

Dollar threshold used to distinguish between type A and type B program \$ _____ 750,000 _____

Auditee qualified as low-risk auditee _____ x yes _____ no

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

GMIS Number(s)	Name of State Program
	State Aid - Public Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-068	School Choice
495-034-5120-084	Security Aid
495-034-5120-089	Special Education Aid

Dollar threshold used to distinguish between type A and type B programs: \$ 1,030,084

Auditee qualified as low-risk auditee? yes no

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

No current year findings.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

Finding No. 2020-001

Criteria or Specific Requirement

CFR Section 210.14 Resource Management (b) Net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed three months average expenditures for its nonprofit school food service or such other amount may be approved by the State agency in accordance with CFR Section 210.19(a).

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$119,758.

Context

Per the calculation of the Food Service Funds Net Cash Resources, Net Cash Resources at June 30, 2020 were \$584,754 and its three months average expenditures were \$464,996, resulting in an overage of \$119,758.

Effect or Potential Effect

The School District is not in compliance with CFR section 210.14 and requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey Audit Program.

Cause

The School District did not monitor the finances of its Food Service Fund to ensure its Net Cash Resources at the end of the fiscal year did not exceed the Funds three months average expenditures.

Recommendation

The School District should develop a plan to reduce the Food Service Fund's Net Cash Resources below its three month average expenditures.

View of Responsible Officials and Planned Corrective Action

The responsible officials are in agreement with the calculation and will consider how best to address. The District would like to emphasize that while this USDA regulation is normally a reasonable and sound financial requirement, the USDA should have considered temporarily waiving this requirement due to the impact of COVID-19. Lindenwold Board of Education's operating expenditures as of June 30, 2020 have been grossly deflated due to the pandemic and the fact that we are not able to feed nearly as many children as when our students are in session. This reduction in expenditures is temporary and to reduce our cash resources based on this temporary situation, is not a sound financial decision.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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

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

No current year findings.

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

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

FINANCIAL STATEMENT FINDINGS

No prior year findings.

FEDERAL AWARDS

No prior year findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No prior year findings.

