

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**

Lumberton, New Jersey  
County of Burlington

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

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**

**LUMBERTON, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Prepared by**

**Lumberton Township School District  
Finance Department**

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**INTRODUCTORY SECTION**

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

**Joseph Langowski**  
**Superintendent**

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

---

January 25, 2021

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Lumberton Township School District for the fiscal year ended June 30, 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 Lumberton Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

**REPORTING ENTITY AND ITS SERVICES**

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

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	1,172	-5.41%
2018-2019	1,239	-1.67%
2017-2018	1,260	-7.01%
2016-2017	1,355	-1.38%
2015-2016	1,374	-8.46%
2014-2015	1,501	0.54%
2013-2014	1,493	-2.42%
2012-2013	1,530	-6.76%
2011-2012	1,641	-1.50%
2010-2011	1,666	-1.24%

## **ECONOMIC CONDITION AND OUTLOOK**

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

## **MAJOR INITIATIVES**

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

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

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

The district also continues to contend with declining enrollment. As a result of a decline of nearly 600 students over a decade, the Lumberton Township School District has redistricted to three buildings in the 2019-20 school year. Ashbrook Elementary School, the newest facility in the district, will be reopened in the 2020-21 school year for preschool through second grade students. The Board of Education seeks to lease the Florence Walther School as a source of revenue to offset loss in state funding.

## **INTERNAL ACCOUNTING CONTROLS**

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

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

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

**BUDGETARY CONTROLS**

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

**ACCOUNTING SYSTEM AND REPORTS**

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

**FINANCIAL POLICIES**

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

**OTHER INFORMATION**

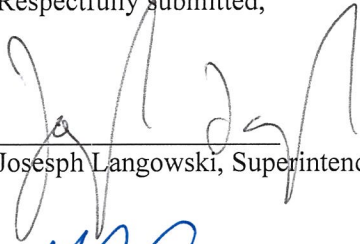
*INDEPENDENT AUDIT*

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

**ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



A handwritten signature in black ink, appearing to read 'Joseph Langowski', written over a horizontal line.

Joseph Langowski, Superintendent



A handwritten signature in blue ink, appearing to read 'Mark Leung', written over a horizontal line.

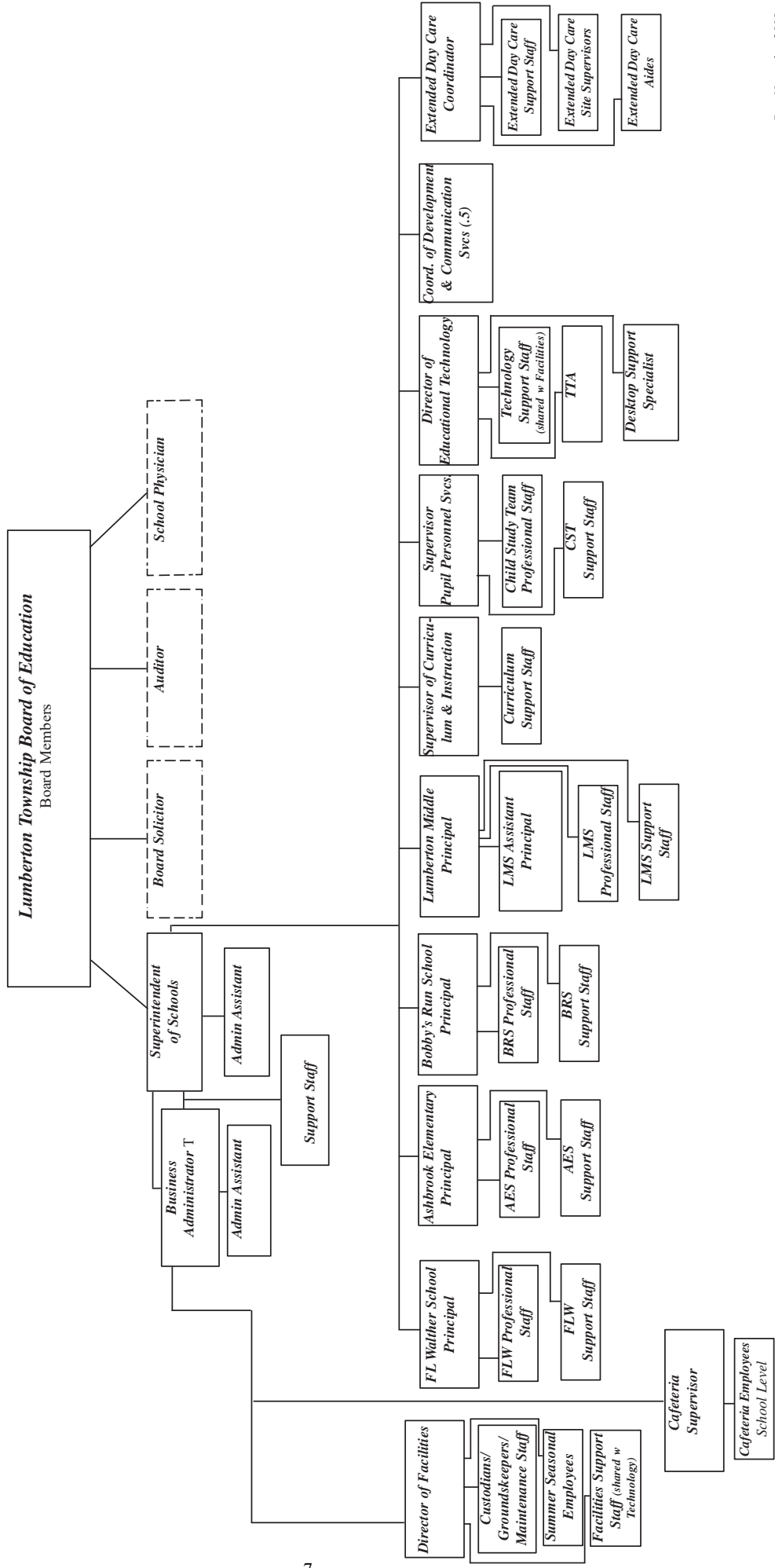
Mark Leung, School Business Administrator/Board Secretary

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# Lumberton Township Board of Education

33 Municipal Drive  
Lumberton, NJ 08048  
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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Lumberton, New Jersey**

**ROSTER OF OFFICIALS**

**JUNE 30, 2020**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Thomas Colling, III, President	2021
Melissa Ciri, Vice President	2020
Margaret Bupp	2022
Bruce Ciallella	2022
Jill Clevenger	2020
Kevin Leahan	2021
Frank Pallante	2021
Rachel Paulin	2020
Marcy Smith	2022

**OTHER OFFICIALS**

Joseph Langowski, Superintendent

Mark S. Leung, Business Administrator/Board Secretary

Frank P. Cavallo, Solicitor

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

**CONSULTANTS AND ADVISORS**

**INSURANCE AGENT**

Burlington County Insurance Pool  
Marlton, New Jersey

**AUDIT FIRM**

David T. McNally, CPA, RMA, PSA  
Holt McNally & Associates, Inc.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

TD Bank  
Cherry Hill, New Jersey

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

618 Stokes Road, Medford, NJ 08055

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[www.hmacpainc.com](http://www.hmacpainc.com)

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township School District, County of Burlington, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

The combining and individual fund financial statements and long-term debt schedules and the 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 combining and individual fund statements and long-term debt schedules and the schedules of

expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 25, 2021

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(Unaudited)**

As management of the Lumberton Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Overview of the Basic Financial Statements**

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

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

**Government-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(Unaudited) (Continued)**

**Fund Financial Statements (continued)**

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements**

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

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

Table 1 provides a summary of the School Districts net position for the fiscal years 2020 compared to fiscal year 2019.



**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(Unaudited) (Continued)**

**Financial Analysis of the School District as a Whole (continued)**

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

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ (Decrease)	Percentage Change
Current & Other Assets	\$ 9,547,013	\$ 6,185,036	\$ 3,361,977	54.4%
Capital Assets, Net	21,249,519	19,604,787	1,644,732	8.4%
Total Assets	<u>30,796,532</u>	<u>25,789,823</u>	<u>5,006,709</u>	19.4%
Deferred Outflow of Resources	978,053	1,527,804	(549,751)	-36.0%
Current and Other Liabilities	1,311,345	463,293	848,052	183.0%
Noncurrent Liabilities	13,150,204	11,149,480	2,000,724	17.9%
Total Liabilities	<u>14,461,549</u>	<u>11,612,773</u>	<u>2,848,776</u>	24.5%
Deferred Inflow of Resources	2,639,279	2,603,142	36,137	1.4%
Net Position:				
Net Investment in Capital Assets	13,163,519	15,089,021	(1,925,502)	-12.8%
Restricted	9,077,553	5,156,200	3,921,353	76.1%
Unrestricted (Deficit)	(7,567,315)	(7,143,509)	(423,806)	5.9%
Total Net Position	<u>\$ 14,673,757</u>	<u>\$ 13,101,712</u>	<u>\$ 1,572,045</u>	12.0%

Table 2 shows the changes in net position for fiscal year 2020 compared to fiscal year 2019.

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

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ (Decrease)	Percentage Change
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 510,784	\$ 654,349	\$ (143,565)	-21.9%
Operating Grants & Contributions	5,901,858	7,260,180	(1,358,322)	-18.7%
General Revenues:				
Property Taxes	15,315,689	14,913,321	402,368	2.7%
Federal & State Aid	8,439,471	8,807,420	(367,949)	-4.2%
Other General Revenues	392,408	721,710	(329,302)	-45.6%
Total Revenues	<u>30,560,210</u>	<u>32,356,980</u>	<u>(1,796,770)</u>	-5.6%
<b>Function/Program Expenditures:</b>				
Regular Instruction	5,895,289	5,780,706	114,583	2.0%
Special Education Instruction	2,777,557	2,817,511	(39,954)	-1.4%
Other Instruction	644,349	585,897	58,452	10.0%
Tuition	1,044,618	1,050,953	(6,335)	-0.6%
Student & Instruction Related Services	2,519,429	2,581,713	(62,284)	-2.4%
General Administrative	483,744	586,315	(102,571)	-17.5%
School Administrative Services	534,210	636,360	(102,150)	-16.1%
Central Services	382,949	375,815	7,134	1.9%
Administrative Info. Technology	340,871	351,225	(10,354)	-2.9%
Plant Operations & Maintenance	1,980,855	2,343,913	(363,058)	-15.5%
Pupil Transportation	782,211	863,521	(81,310)	-9.4%
Unallocated Benefits	4,961,950	6,054,409	(1,092,459)	-18.0%
On Behalf TPAF Pension and Social				
Security Contributions	4,203,987	4,329,038	(125,051)	-2.9%
Interest & Other Charges	249,271	177,994	71,277	40.0%
Unallocated Depreciation	1,223,498	1,296,964	(73,466)	-5.7%
Food Service	557,527	532,124	25,403	4.8%
Extended Daycare	405,850	362,132	43,718	12.1%
Total Expenditures	<u>28,988,165</u>	<u>30,726,590</u>	<u>(1,738,425)</u>	-5.7%
Change In Net Position	1,572,045	1,630,390	(58,345)	-3.6%
Net Position - Beginning	13,101,712	11,471,322	1,630,390	14.2%
Net Position - Ending	<u>\$ 14,673,757</u>	<u>\$ 13,101,712</u>	<u>\$ 1,572,045</u>	12.0%

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(Unaudited) (Continued)**

**Governmental Activities**

During the fiscal year 2020, the net position of governmental activities increased by \$1,695,112 or 13.70%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$14,067,169, with an unrestricted deficit balance of \$7,961,809. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

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

Unrestricted Net Position (With GASB 68)	\$	(7,961,809)
Add back: PERS Pension Liability		4,941,727
Less: Deferred Outflows related to pensions		(978,053)
Add back: Deferred Inflows related to pensions		<u>2,639,279</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>(1,358,856)</u>

**Business-type Activities**

During the fiscal year 2020, the net position of business-type activities decreased by \$123,067 or (16.87%).

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$606,588.

**General Fund Budgeting Highlights**

Final budgeted revenues was \$22,203,948, unchanged from the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$357,278.

Final budgeted appropriations was \$24,827,797, which was an increase of \$502,574 from the original budget. The increase is due to prior year encumbrances and cancellation of a portion of those encumbrances. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$3,636,246.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$8,861,830 at June 30, 2020, an increase of \$1,393,892 from the prior year.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(Unaudited) (Continued)**

**Governmental Funds**

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$9,073,580, an increase of \$3,566,556 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,440,460 to \$8,147,563 at June 30, 2020. The primary factor(s) affecting the change in fund balance of the general fund compared to the change in fund balance in the prior year is as follows:

- Local revenues increased by \$72,924 or 0.47% from the prior year. The biggest component of local revenues being the local tax levy increased \$402,368 or 2.70%.
- Tuition and Miscellaneous Revenue decreased by \$329,444 or -84.32% from the prior year

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

*Capital projects fund* – During the current fiscal year, the fund balance of the School District's capital projects fund increased by \$2,118,091 to \$918,010 at June 30, 2020. This was due to the bond issuance which occurred in July of 2019.

*Debt service fund* - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$8,005 to \$8,007 at June 30, 2020.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District's food service fund decreased by \$21,960 to \$263,743 at June 30, 2020. The net position increased in the prior year by \$26,946. The primary factor(s) affecting the change in net position of the food service fund compared to the change in net position in the prior year is as follows:

- In the current year, the District bought equipment to support the Food Service operations which decreased net position when compared with the prior year.

*Extended Day Program* - During the current fiscal year, the net position of the School District's Extended Day Program decreased by \$101,107 to \$342,845 at June 30, 2020. The net position increased in the prior by \$1,487. The primary factor(s) affecting the change in net position compared to the prior year change in net position is as follows:

- In the current year, revenues were down due to school closures relating to COVID-19 and expenditures increased due to staff salaries being properly allocated to the operations of the program.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(Unaudited) (Continued)**

**Capital Assets**

The School District’s capital assets for its governmental and business-type activities as of June 30, 2020, totaled \$21,249,519 (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 School District’s investment in capital assets for the current fiscal year in the amount of \$1,644,732. Table 4 shows fiscal 2020 balances compared to 2019.

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

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 1,236,485	\$ 1,236,485	\$ -	0.0%
Construction in Progress	3,861,626	1,098,717	2,762,909	100.0%
Land Improvements	3,043,806	3,333,069	(289,263)	-8.7%
Building and Improvements	12,320,076	13,115,486	(795,410)	-6.1%
Equipment	787,526	821,030	(33,504)	-4.1%
	<u>\$ 21,249,519</u>	<u>\$ 19,604,787</u>	<u>\$ 1,644,732</u>	<u>8.4%</u>

Depreciation expense for the year was \$1,252,555. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$8,086,000 which is an increase of \$3,516,000 from the prior year.

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

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

At the time these financial statements were prepared and audited, the Lumberton Township School District was aware of no existing circumstances that could significantly affect its financial health in the future. The contractual agreements with all recognized bargaining units in the Lumberton Township School District were renegotiated and will expire on June 30, 2020.

**Contacting the School Districts Financial Management**

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

**BASIC FINANCIAL STATEMENTS**

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## A. Government-Wide Financial Statements

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	GOVERNMENTAL <u>ACTIVITIES</u>	BUSINESS-TYPE <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 5,527,022	\$ 395,082	\$ 5,922,104
Receivables, Net (Note 4)	487,389	34,769	522,158
Internal Balances	40,673	(40,673)	-
Inventory	-	6,219	6,219
Restricted Cash & Cash Equivalents	3,096,532	-	3,096,532
Capital Assets, Net (Note 5)			
Non-depreciable	5,098,111	-	5,098,111
Depreciable	15,939,314	212,094	16,151,408
	<hr/>	<hr/>	<hr/>
Total Assets	30,189,041	607,491	30,796,532
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	978,053	-	978,053
	<hr/>	<hr/>	<hr/>
Total Deferred Outflow of Resources	978,053	-	978,053
<b>LIABILITIES:</b>			
Accounts Payable	78,036	903	78,939
Due to Other Governments	285,983	-	285,983
Accrued Interest	135,423	-	135,423
Noncurrent Liabilities (Note 7):			
Due within one year	811,000	-	811,000
Due in more than one year	13,150,204	-	13,150,204
	<hr/>	<hr/>	<hr/>
Total Liabilities	14,460,646	903	14,461,549
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	2,639,279	-	2,639,279
	<hr/>	<hr/>	<hr/>
Total Deferred Inflow of Resources	2,639,279	-	2,639,279
<b>NET POSITION:</b>			
Net Investment in Capital Assets	12,951,425	212,094	13,163,519
Restricted for:			
Maintenance Reserve	500,211	-	500,211
Debt Service	8,007	-	8,007
Capital Projects	3,514,331	-	3,514,331
Excess Surplus	5,055,004	-	5,055,004
Unrestricted (Deficit)	(7,961,809)	394,494	(7,567,315)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 14,067,169	\$ 606,588	\$ 14,673,757

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 5,895,289	\$ -	\$ -	\$ -	\$ (5,895,289)	\$ -	\$ (5,895,289)
Special Education Instruction	2,777,557	-	449,761	-	(2,327,796)	-	(2,327,796)
Other Special Instruction	535,958	-	-	-	(535,958)	-	(535,958)
Other Instruction	108,391	-	-	-	(108,391)	-	(108,391)
Support Services:							
Tuition	1,044,618	-	-	-	(1,044,618)	-	(1,044,618)
Health Services	212,047	-	-	-	(212,047)	-	(212,047)
Student & Instruction Related Services	2,085,014	-	41,030	-	(2,043,984)	-	(2,043,984)
Educational Media Services / School Library	222,368	-	-	-	(222,368)	-	(222,368)
General Administrative	483,744	-	-	-	(483,744)	-	(483,744)
School Administrative Services	534,210	-	-	-	(534,210)	-	(534,210)
Central Services	382,949	-	-	-	(382,949)	-	(382,949)
Administrative Info. Technology	340,871	-	-	-	(340,871)	-	(340,871)
Plant Operations & Maintenance	1,980,855	-	-	-	(1,980,855)	-	(1,980,855)
Pupil Transportation	782,211	-	-	-	(782,211)	-	(782,211)
Unallocated Benefits	4,961,950	-	879,249	-	(4,082,701)	-	(4,082,701)
On Behalf TPAF Pension and Social Security Contributions	4,203,987	-	4,203,987	-	-	-	-
Interest & Other Charges	249,271	-	-	-	(249,271)	-	(249,271)
Unallocated Depreciation	1,223,498	-	-	-	(1,223,498)	-	(1,223,498)
Total Governmental Activities	28,024,788	-	5,574,027	-	(22,450,761)	-	(22,450,761)
Business-Type Activities:							
Food Service	557,527	207,736	327,831	-	-	(21,960)	(21,960)
Extended Day Care	405,850	303,048	-	-	-	(102,802)	(102,802)
Total Business-Type Activities	963,377	510,784	327,831	-	-	(124,762)	(124,762)
Total Primary Government	\$ 28,988,165	\$ 510,784	\$ 5,901,858	\$ -	(22,450,761)	(124,762)	(22,575,523)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					14,358,226	-	14,358,226
Property Taxes, Levied for Debt Service					957,463	-	957,463
Federal & State Aid Restricted					548,393	-	548,393
Federal & State Aid Not Restricted					7,891,078	-	7,891,078
Tuition Charges					29,626	-	29,626
Miscellaneous					361,087	1,695	362,782
Total General Revenues and Special Items					24,145,873	1,695	24,147,568
Change In Net Position					1,695,112	(123,067)	1,572,045
Net Position - Beginning					12,372,057	729,655	13,101,712
Net Position - Ending					\$ 14,067,169	\$ 606,588	\$ 14,673,757

## B. Fund Financial Statements

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>					
Cash & Cash Equivalents	\$ 4,589,495	\$ -	\$ 999,909	\$ 25,378	\$ 5,614,782
Receivables, Net:					
Interfund Receivable	139,943	66,251	-	8,006	214,200
Due from Other Governments:					
State	206,770	-	-	-	206,770
Federal	-	60,650	-	-	60,650
Other Receivables	216,298	3,671	-	-	219,969
Restricted Cash & Cash Equivalents	3,096,532	-	-	-	3,096,532
<b>Total Assets</b>	<b>\$ 8,249,038</b>	<b>\$ 130,572</b>	<b>\$ 999,909</b>	<b>\$ 33,384</b>	<b>\$ 9,412,903</b>
<b>LIABILITIES &amp; FUND BALANCES:</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ 87,760	\$ -	\$ -	87,760
Accounts Payable	35,224	42,812	-	-	78,036
Interfund Payable	66,251	-	81,899	25,377	173,527
<b>Total Liabilities</b>	<b>101,475</b>	<b>130,572</b>	<b>81,899</b>	<b>25,377</b>	<b>339,323</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve	2,596,321	-	-	-	2,596,321
Maintenance Reserve	500,211	-	-	-	500,211
Excess Surplus - Current year	2,598,534	-	-	-	2,598,534
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	2,456,470	-	-	-	2,456,470
Capital Projects	-	-	918,010	-	918,010
Debt Service	-	-	-	8,007	8,007
<b>Assigned to:</b>					
Other Purposes	111,554	-	-	-	111,554
Unassigned	(115,527)	-	-	-	(115,527)
<b>Total Fund Balances</b>	<b>8,147,563</b>	<b>-</b>	<b>918,010</b>	<b>8,007</b>	<b>9,073,580</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 8,249,038</b>	<b>\$ 130,572</b>	<b>\$ 999,909</b>	<b>\$ 33,384</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$45,087,751 and the accumulated depreciation is \$24,050,326.	21,037,425
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	978,053
Deferred Inflows related to pensions	(2,639,279)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(135,423)
Accrued pension contributions for the June 30, 2020 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(285,983)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(13,961,204)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 14,067,169</u></u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 14,358,226	\$ -	\$ -	\$ 957,463	\$ 15,315,689
Tuition Charges	29,626	-	-	-	29,626
Miscellaneous	353,081	-	8,006	-	361,087
Total Local Sources	14,740,933	-	8,006	957,463	15,706,402
State Sources	11,379,306	-	-	548,393	11,927,699
Federal Sources	34,120	531,576	-	-	565,696
Total Revenues	26,154,359	531,576	8,006	1,505,856	28,199,797
Expenditures:					
Instruction:					
Regular Instruction	5,895,289	-	-	-	5,895,289
Special Education Instruction	2,327,796	449,761	-	-	2,777,557
Other Special Instruction	535,958	-	-	-	535,958
Other Instruction	108,391	-	-	-	108,391
Support Services:					
Tuition	1,044,618	-	-	-	1,044,618
Health Services	212,047	-	-	-	212,047
Student & Instruction Related Services	2,043,984	41,030	-	-	2,085,014
Educational Media Services / School					
Library	222,368	-	-	-	222,368
General Administrative	483,744	-	-	-	483,744
School Administrative Services	534,210	-	-	-	534,210
Central Services	382,949	-	-	-	382,949
Administrative Info. Technology	340,871	-	-	-	340,871
Plant Operations & Maintenance	1,980,855	-	-	-	1,980,855
Pupil Transportation	770,452	-	-	-	770,452
Unallocated Benefits	4,161,903	40,785	-	-	4,202,688
On Behalf TPAF Pension and Social					
Security Contributions	3,522,348	-	-	-	3,522,348
Capital Outlay	100,327	-	2,762,909	-	2,863,236
Debt Service:					
Principal	-	-	-	1,365,000	1,365,000
Interest & Other Charges	45,789	-	-	140,857	186,646
Total Expenditures	24,713,899	531,576	2,762,909	1,505,857	29,514,241
Excess/(Deficiency) of Revenues over Expenditures	1,440,460	-	(2,754,903)	(1)	(1,314,444)
Other Financing Sources (Uses):					
Transfers in	-	-	-	8,006	8,006
Transfers out	-	-	(8,006)	-	(8,006)
Bond Proceeds	-	-	4,881,000	-	4,881,000
Total Other Financing Sources (Uses)	-	-	4,872,994	8,006	4,881,000
Net changes in fund balances	1,440,460	-	2,118,091	8,005	3,566,556
Fund Balance, July 1	6,707,103	-	(1,200,081)	2	5,507,024
Fund Balance, June 30	\$ 8,147,563	\$ -	\$ 918,010	\$ 8,007	\$ 9,073,580

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ 3,566,556
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation capital outlays exceeded in the period.		
	Depreciation Expense	\$ (1,223,498)
	Capital Outlays	<u>2,851,477</u>
		1,627,979
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.		
		244,994
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		1,365,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
		(4,881,000)
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
	Amortization of premium on bonds	24,982
	Amortization of loss on Bond Refunding	<u>(5,005)</u>
		19,977
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		(82,602)
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 (+).		
		<u>(165,792)</u>
Change in Net Position of Governmental Activities		<u>\$ 1,695,112</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		<u>TOTAL</u>
	<u>EXTENDED DAY CARE</u>	<u>FOOD SERVICE</u>	
Current Assets:			
Cash & Cash Equivalents	\$ 248,705	\$ 146,377	\$ 395,082
Accounts Receivable:			
State	-	1,575	1,575
Federal	-	33,194	33,194
Inventories	-	6,219	6,219
Total Current Assets	<u>248,705</u>	<u>187,365</u>	<u>436,070</u>
Noncurrent Assets:			
Equipment	286,124	648,067	934,191
Less: Accumulated Depreciation	<u>(191,081)</u>	<u>(531,016)</u>	<u>(722,097)</u>
Total Noncurrent Assets	<u>95,043</u>	<u>117,051</u>	<u>212,094</u>
Total Assets	<u>343,748</u>	<u>304,416</u>	<u>648,164</u>
LIABILITIES			
Current Liabilities:			
Interfund Payables	-	40,673	40,673
Accounts Payable	<u>903</u>	<u>-</u>	<u>903</u>
Total Current Liabilities	<u>903</u>	<u>40,673</u>	<u>41,576</u>
Total Liabilities	<u>903</u>	<u>40,673</u>	<u>41,576</u>
NET POSITION			
Investment in Capital Assets	95,043	117,051	212,094
Unrestricted	<u>247,802</u>	<u>146,692</u>	<u>394,494</u>
Total Net Position	<u>\$ 342,845</u>	<u>\$ 263,743</u>	<u>\$ 606,588</u>

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



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		<u>TOTAL</u>
	<u>EXTENDED</u>	<u>FOOD</u>	
	<u>DAY CARE</u>	<u>SERVICE</u>	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:	\$ -	\$ 130,362	\$ 130,362
Daily Sales - Nonreimbursable Programs	-	71,529	71,529
Special Functions	-	5,176	5,176
Enrollment Fees	303,048	-	303,048
Miscellaneous	-	669	669
Total Operating Revenue	303,048	207,736	510,784
Operating Expenses:			
Cost of Sales - Reimbursable Programs	-	125,810	125,810
Cost of Sales - Nonreimbursable Programs	-	68,892	68,892
Salaries	317,692	149,305	466,997
Employee Benefits	31,245	30,469	61,714
Supplies and Materials	3,230	18,330	21,560
Management Fee	-	63,600	63,600
Miscellaneous	42,284	83,462	125,746
Depreciation	11,399	17,659	29,058
Total Operating Expenses	405,850	557,527	963,377
Operating Income/(Loss)	(102,802)	(349,791)	(452,593)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	5,931	5,931
Federal Sources:			
National School Lunch Program	-	182,919	182,919
School Breakfast Program	-	81,064	81,064
Special Milk Program	-	68	68
Healthy Hungry Kids Act	-	6,193	6,193
Food Distribution Program	-	51,656	51,656
Interest and Investment Revenue	1,695	-	1,695
Total Nonoperating Revenues/(Expenses)	1,695	327,831	329,526
Change in Net Position	(101,107)	(21,960)	(123,067)
Total Net Position - July 1	443,952	285,703	729,655
Total Net Position - June 30	\$ 342,845	\$ 263,743	\$ 606,588

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	EXTENDED	FOOD	TOTAL
	<u>DAY CARE</u>	<u>SERVICE</u>	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 303,048	\$ 207,736	\$ 510,784
Payments to Employees	(317,692)	(149,305)	(466,997)
Payment to Employee Benefits	(31,245)	(30,469)	(61,714)
Payments to Suppliers	(44,611)	(327,385)	(371,996)
Net Cash Provided/(Used) by Operating Activities	<u>(90,500)</u>	<u>(299,423)</u>	<u>(389,923)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	4,756	4,756
Federal Sources	-	303,471	303,471
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>308,227</u>	<u>308,227</u>
Cash Flows From Investing Activities:			
Purchase of Capital Assets	(17,085)	(28,726)	(45,811)
Interest on Investments	1,695	-	1,695
Net Cash Provided by Investing Activities	<u>(15,390)</u>	<u>(28,726)</u>	<u>(44,116)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(105,890)	(19,922)	(125,812)
Cash & Cash Equivalents, July 1	354,595	166,299	520,894
Cash & Cash Equivalents, June 30	<u>\$ 248,705</u>	<u>\$ 146,377</u>	<u>\$ 395,082</u>

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

Operating Income/(Loss)	\$ (102,802)	\$ (349,791)	\$ (452,593)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	11,399	17,659	29,058
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	(765)	(765)
(Decrease)/Increase in Accounts Payable	903	33,474	34,377
Net Cash Provided/(Used) by Operating Activities	<u>\$ (90,500)</u>	<u>\$ (299,423)</u>	<u>\$ (389,923)</u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2020**

ASSETS	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>	<u>TOTAL</u>
Cash & Cash Equivalents	\$ 58,523	\$ 73,107	\$ 131,630
Total Assets	<u>58,523</u>	<u>73,107</u>	<u>131,630</u>
<b>LIABILITIES</b>			
Payroll Deductions & Withholdings	-	17,195	17,195
Accounts Payable	10,652	-	10,652
Due to Student Groups	-	55,912	55,912
Total Liabilities	<u>10,652</u>	<u>73,107</u>	<u>83,759</u>
<b>NET POSITION</b>			
Held in Trust For:			
Unemployment Claims	44,876	-	44,876
Scholarships	2,995	-	2,995
Total Net Position	<u>\$ 47,871</u>	<u>\$ -</u>	<u>\$ 47,871</u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
<b>ADDITIONS:</b>	
Contributions:	
Payroll Deductions	\$ 20,384
Total Contributions	<u>20,384</u>
Investment Earnings:	
Interest on Investments	<u>2</u>
Total Investment Earnings	<u>2</u>
Total Additions	<u>20,386</u>
 <b>DEDUCTIONS:</b>	
Unemployment Claims	40,652
Scholarships Awarded	<u>240</u>
Total Deductions	<u>40,892</u>
Change in Net Position	(20,506)
Net Position - Beginning of Year	<u>68,377</u>
Net Position - End of Year	<u><u>\$ 47,871</u></u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

The financial statements of the Board of Education of Lumberton Township School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**Reporting Entity**

The Lumberton Township School District (hereafter referred to as the “District”) is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through eighth at its three schools. The District has an approximate enrollment at June 30, 2020 of 1,172 students.

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

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

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

**Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. and GASB 80, Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14. The School District had no component units as of for the year ended June 30, 2020.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

**Government-Wide Financial Statements**

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

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

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

**Governmental Fund Financial Statements**

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

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



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

**Proprietary Fund Financial Statements**

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

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

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

**Fiduciary Fund Financial Statements**

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

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

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

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

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

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

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

The District reports the following major governmental funds:

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

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

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

The District reports the following major proprietary funds:

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

Additionally, the District reports the following major fiduciary funds:

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

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

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

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

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

**Budgets/Budgetary Control**

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

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

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

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

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

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

**Encumbrances**

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

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

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

**Cash and Cash Equivalents**

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

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

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2020 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

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

**Interfund Receivables/Payables**

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

**Capital Assets**

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

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

**Compensated Absences**

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

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

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

**Accounting Estimates**

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

**Interfund Activity**

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

**Fund Balance**

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2020.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the

District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**Net Position**

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

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

**Impact of Recently Issued Accounting Principles**

**Adopted Accounting Pronouncements**

The following GASB Statements became effective for the fiscal year ended June 30, 2020:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**Bond Premiums, Discounts and Issuance Costs**

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Pensions**

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

**Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 25, 2021, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

COVID – 19 – has caused considerable economic damage to the New Jersey economy. As a result, Governor Murphy decreased the originally appropriated school state aid by over \$335 million state wide for the 2020-2021 school year. The Lumberton Township School District's state aid was not reduced.

As the COVID-19 pandemic remains a fluid situation, outside of the reduction in state aid, it is not currently known what further economic challenges are ahead for local school districts.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2020**

**Note 2. Cash Deposits and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2020, the District’s bank balance of \$9,768,907 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	9,572,269
Uninsured and Uncollateralized		196,638
		\$ 9,768,907

**Investments**

The School District has no investments at June 30, 2020.

**Note 3. Reserve Accounts**

**A. Capital Reserve**

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

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**Note 3. Reserve Accounts (continued):**

Beginning Balance, July 1, 2019	\$	1,619,608
Increased by:		
Deposits approved by Board		975,000
Interest Earnings		1,713
		1,713
Ending Balance, June 30, 2020	\$	2,596,321

The June 30, 2020 balance did not exceed the LRFPS balance of local support costs of uncompleted capital projects.

**B. Maintenance Reserve**

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

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

Beginning Balance, July 1, 2019	\$	250,000
Increased by:		
Deposits approved by Board		250,000
Interest Earnings		211
		211
Ending Balance, June 30, 2020	\$	500,211

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2020 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 60,650	\$ 60,650	\$ 33,194	\$ 33,194
State Awards	206,770	-	206,770	1,575	1,575
Tuition	216,298	3,671	219,969	-	-
			219,969	-	-
<b>Total</b>	<b>\$ 423,068</b>	<b>\$ 64,321</b>	<b>\$ 487,389</b>	<b>\$ 34,769</b>	<b>\$ 34,769</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**Note 5. Capital Assets**

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

	Balance July 1, <u>2019</u>	<u>Additions</u>	Retirements and Transfers	<u>Adjustments</u>	Balance June 30, <u>2020</u>
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 1,236,485	\$ -	\$ -	\$ -	\$ 1,236,485
Construction in Progress	1,098,717	2,762,909	-	-	3,861,626
Total Capital Assets not being depreciated	<u>2,335,202</u>	<u>2,762,909</u>	-	-	<u>5,098,111</u>
Capital Assets being depreciated:					
Land Improvements	6,336,687	-	-	-	6,336,687
Buildings and Improvements	31,096,975	-	-	-	31,096,975
Equipment	2,467,410	88,568	-	-	2,555,978
Total Capital Assets being depreciated	<u>39,901,072</u>	<u>88,568</u>	-	-	<u>39,989,640</u>
Less: Accumulated Depreciation:					
Land Improvements	(3,003,618)	(289,263)	-	-	(3,292,881)
Buildings and Improvements	(18,070,845)	(784,012)	-	-	(18,854,857)
Equipment	(1,752,365)	(150,223)	-	-	(1,902,588)
Total Accumulated Depreciation	<u>(22,826,828)</u>	<u>(1,223,498)</u>	-	-	<u>(24,050,326)</u>
Total Capital Assets being depreciated, net	<u>17,074,244</u>	<u>(1,134,930)</u>	-	-	<u>15,939,314</u>
Total Governmental Activities Capital Assets, net	<u>\$ 19,409,446</u>	<u>\$ 1,627,979</u>	\$ -	\$ -	<u>\$ 21,037,425</u>
	Balance July 1, <u>2019</u>	<u>Additions</u>	Retirements and Transfers	<u>Adjustments</u>	Balance June 30, <u>2020</u>
<b>Business-Type Activities:</b>					
Buildings and Improvements	\$ 269,039	\$ -	\$ -	\$ -	\$ 269,039
Equipment	619,342	45,810	-	-	665,152
	<u>888,381</u>	<u>45,810</u>	-	-	<u>934,191</u>
Less: Accumulated Depreciation:					
Buildings and Improvements	(179,683)	(11,398)	-	-	(191,081)
Equipment	(513,357)	(17,659)	-	-	(531,016)
	<u>(693,040)</u>	<u>(29,057)</u>	-	-	<u>(722,097)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 195,341</u>	<u>\$ 16,753</u>	\$ -	\$ -	<u>\$ 212,094</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

Individual fund receivables/payables balances at June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 139,943	\$ 66,251
Special Revenue Fund	66,251	-
Capital Projects Fund	-	81,899
Debt Service Fund	8,006	25,377
Food Service Fund	-	40,673
	<u>\$ 214,200</u>	<u>\$ 214,200</u>

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

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects Fund	\$ -	\$ 8,006
Debt Service Fund	8,006	-
	<u>\$ 8,006</u>	<u>\$ 8,006</u>

**Note 7. Long-Term Obligations**

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>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 4,570,000	\$ 4,881,000	\$ 1,365,000	\$ 8,086,000	\$ 811,000
Unamortized Bond Premiums	24,982	-	24,982	-	-
Compensated Absences	767,685	165,792	-	933,477	-
Net Pension Liability	5,786,813	-	845,086	4,941,727	-
	<u>\$ 11,149,480</u>	<u>\$ 5,046,792</u>	<u>\$ 2,235,068</u>	<u>\$ 13,961,204</u>	<u>\$ 811,000</u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

**A. Bonds Payable:**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2020, bonds payable consisted of the following individual issues:

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

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

On July 18, 2019 the School District issued \$4,881,000 of General Obligation Bonds. The purpose of the Bonds is to permanently finance renovations, alterations and improvements at Ashbrook Elementary School, Bobby's Run School, Lumberton Middle School and Florence L. Walther Elementary School including related work, fixtures, furnishings, equipment and site work. The General Obligation Bonds were issued at interest rates varying from 2.000% to 2.250% and mature on July 15, 2029.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 811,000	\$ 250,940	\$ 1,061,940
2022	905,000	178,581	1,083,581
2023	925,000	155,431	1,080,431
2024	950,000	131,581	1,081,581
2025	975,000	105,522	1,080,522
2026-2030	3,520,000	188,084	3,708,084
	\$ 8,086,000	\$ 1,010,140	\$ 9,096,140

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**Note 8. Pension Plans**

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

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

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

The following represents the membership tiers for PERS:

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

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



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2020, the School District reported a liability of \$4,941,727 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The School District's proportion measured as of June 30, 2019, was 0.0274258774%, which was a decrease of 0.0019644726% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$21,783 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 88,698	\$ 21,830
Changes of Assumptions	493,450	1,715,258
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	78,007
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	109,922	824,184
School District Contributions Subsequent to Measurement Date	285,983	-
	<b>\$ 978,053</b>	<b>\$ 2,639,279</b>

\$285,983 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended 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:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

<b>Year Ending <u>Dec 31,</u></b>	<b><u>Amount</u></b>
2020	\$ (383,755)
2021	(641,426)
2022	(542,246)
2023	(341,916)
2024	<u>(37,858)</u>
	<u>\$ (1,947,201)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
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 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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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.

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

<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** - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2019, calculated using the 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-percentage point lower or 1-percentage point higher than the current rate:

	<b>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 6,285,629</u>	<u>\$ 4,941,727</u>	<u>\$ 3,872,645</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

<u>Balances at June 30, 2020 and June 30, 2019</u>		
	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 3,149,522,616	\$ 4,684,852,302
Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Net Pension Liability	18,143,832,135	19,689,501,539
District's portion of the Plan's total Net Pension Liability	0.0274258%	0.0293903%

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

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

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

The following represents the membership tiers for TPAF:

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

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

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2019 was \$59,653,633. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0972017526%, which was a decrease of .0010682636% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the School District recognized \$3,518,531 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2019 measurement date.

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2020**

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

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

Inflation	
Price	2.75%
Wage	3.25%
 Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
 Investment Rate of Return	 7.00%

Pre-retirement mortality rates were based on the Pub-2010 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.

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<hr/>	
	100.00%	
	<hr/>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.60% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

	1% Decrease <u>(4.60%)</u>	Current Discount Rate <u>(5.60%)</u>	1% Increase <u>(6.60%)</u>
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>70,344,837</u>	<u>59,653,633</u>	<u>50,783,310</u>
	<u>\$ 70,344,837</u>	<u>\$ 59,653,633</u>	<u>\$ 50,783,310</u>

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

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

**Balances at June 30, 2020 and June 30, 2019**

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 10,129,162,237	\$ 12,675,037,111
Deferred Inflows of Resources	17,736,240,054	16,381,811,884
Net Pension Liability	61,519,112,443	63,806,350,446
District's portion of the Plan's total Net Pension Liability	0.02765%	0.02926%

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

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2020, employee contributions totaled \$35,278, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$ 1,058.

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

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**Note 9. Other Post-Retirement Benefits (continued)**

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.

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

**Basis of Presentation**

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

<b>Inflation Rate:</b>	2.5%		
		<b>TPAF/ABP</b>	<b>PERS</b>
Salary Increases:		<b>PFRS</b>	
Through 2026	1.55 - 3.05%	2.00 - 6.00%	3.25 - 15.25%
	based on years of service	based on years of service	based on years of service
Thereafter	1.55 - 3.05%	3.00 - 7.00%	Applied to all future years
	based on years of service	based on years of service	

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**Note 9. Other Post-Retirement Benefits (continued)**

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2019 was \$44,053,608. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the School District was 0.105570%, which was a decrease of 0.000991% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$837,760 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2019 measurement date.

**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%.

**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.

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

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2019</b>		
	<b>At 1% Decrease (2.50%)</b>	<b>At Discount Rate (3.50%)</b>	<b>At 1% Increase (4.50%)</b>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 52,044,720	\$ 44,053,608	\$ 37,705,907
State of New Jersey's Total Non- employer Liability	\$ 49,298,534,898	\$ 41,729,081,045	\$ 35,716,321,820

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**Note 9. Other Post-Retirement Benefits (continued)**

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

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2019</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 36,298,209	\$ 44,053,608	\$ 54,320,163
State of New Jersey's Total Nonemployer OPEB Liability	\$ 34,382,902,820	\$ 41,729,081,045	\$ 51,453,912,586

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

**Additional Information**

Collective balances of the Local Group at June 30, 2019 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 1,921,145,183	\$ (1,921,145,183)
Change in Assumptions	-	(10,484,965,300)
Change in Assumptions	-	(8,481,529,343)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ 1,921,145,183	\$ (20,887,639,826)

\*\* Employer Contributions made after June 30, 2019 are reported as a deferred outflow of resources, but are not amortized in expense.

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**Note 9. Other Post-Retirement Benefits (continued)**

Fiscal Year Ending June 30,	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
	<u>\$ (18,966,494,643)</u>

**Plan Membership**

At June 30, 2018, the Program membership consisted of the following:

	<u>June 30, 2018</u>
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>148,051</u>
	<u>364,943</u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 1,734,404,850
Interest Cost	1,827,787,206
Difference Between Expected & Actual Experience	(7,323,140,818)
Changes of Assumptions	622,184,027
Contributions: Member	37,971,171
Gross Benefit Payments	<u>(1,280,958,373)</u>
Net Change in Total OPEB Liability	(4,381,751,937)
Total OPEB Liability (Beginning)	<u>46,110,832,982</u>
Total OPEB Liability (Ending)	<u>\$ 41,729,081,045</u>
Total Covered Employee Payroll	\$ 13,929,083,479
Net OPEB Liability as a Percentage of Payroll	300%

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2020, the on-behalf payments for normal costs, social security costs, post-retirement medical costs, and long-term disability were \$2,068,728, \$685,456, \$767,460 and \$704, respectively.

**Note 11. Risk Management**

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

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 20,384	\$ -	\$ 40,652	\$ 44,876
2018-2019	21,591	189	43,230	65,144
2017-2018	21,146	119	5,334	86,594

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

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

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

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

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

**Note 13. Operating Leases Payable**

At June 30, 2020, the School District had operating lease agreements in effect for copiers. Total operating lease payments made during the year ended June 30, 2020 was \$43,272. The following is a schedule of the remaining future minimum lease payments under these operating leases.

Fiscal Year Ending <u>June 30,</u>	
2021	\$ 43,272
2022	43,272
2023	43,272
2024	<u>21,636</u>
Total Minimum Lease Payments	<u>\$ 151,452</u>

**Note 14. Economic Dependency**

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

**Note 15. Deferred Compensation**

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

Lincoln Investment Planning  
AXA Equitable



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

**Note 16. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$933,477 and \$0, respectively.

**Note 17. Tax Abatements**

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

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

**Note 18. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 was \$2,598,534.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2020**

**Note 19. Fund Balance**

**General Fund** – Of the \$8,147,563 General Fund fund balance at June 30, 2020, \$2,596,321 has been reserved in the Capital Reserve Account; \$500,211 has been reserved in the maintenance reserve account; \$2,598,534 is restricted for current year excess surplus; \$2,456,470 is restricted for prior year excess surplus – designated for subsequent year’s expenditures; \$-0- has been assigned as designated for subsequent year’s expenditures; \$111,554 has been assigned to other purposes; and \$(115,527) is unassigned.

**Capital Projects Fund** – Of the \$918,010 Capital Projects Fund fund balance at June 30, 2020, \$918,010 is restricted for future capital project payments.

**Debt Service Fund** – Of the \$8,007 Debt Service Fund fund balance at June 30, 2020, \$8,007 is restricted for future debt service payments.

**Note 20. Deficit Fund Balances**

The School District has a deficit fund balance of \$115,527 in the General Fund as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of \$115,527 is less than the last two state aid payments.

**Note 21. Deficit in Net Position**

**Unrestricted Net Position** – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$7,961,809. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments, and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2020. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 14,358,226	\$ -	\$ 14,358,226	\$ 14,358,226	\$ -
Tuition - Other LEA's Within State	10-1300	-	-	-	29,626	29,626
Interest on Maintenance Reserve	10-1000	-	-	-	211	211
Interest on Capital Reserve	10-1000	500	-	500	1,713	1,213
Miscellaneous	10-1000	170,000	-	170,000	351,157	181,157
<b>Total Local Sources</b>		<b>14,528,726</b>	<b>-</b>	<b>14,528,726</b>	<b>14,740,933</b>	<b>212,207</b>
<b>State Sources:</b>						
Categorical Transportation Aid	10-3121	73,845	-	73,845	73,845	-
Categorical Special Education Aid	10-3132	906,745	-	906,745	906,745	-
Equalization Aid	10-3176	6,478,048	-	6,478,048	6,478,048	-
Categorical Security Aid	10-3177	176,844	-	176,844	176,844	-
Non Public School Transportation Aid	10-3000	-	-	-	6,661	6,661
Extraordinary Aid	10-3131	-	-	-	168,247	168,247
<b>Nonbudgeted:</b>						
<b>On-Behalf TPAF:</b>						
Post-Retirement Medical Contributions		-	-	-	767,460	767,460
Normal Pension Contributions		-	-	-	2,068,728	2,068,728
Long Term Disability Insurance		-	-	-	704	704
Reimbursed TPAF Social Security		-	-	-	685,456	685,456
<b>Total State Sources</b>		<b>7,635,482</b>	<b>-</b>	<b>7,635,482</b>	<b>11,332,738</b>	<b>3,697,256</b>
<b>Federal Sources:</b>						
Special Education Medicaid Initiative (SEMI)	10-4200-000-000	39,740	-	39,740	34,120	(5,620)
<b>Total Federal Sources</b>		<b>39,740</b>	<b>-</b>	<b>39,740</b>	<b>34,120</b>	<b>(5,620)</b>
<b>Total Revenues</b>		<b>22,203,948</b>	<b>-</b>	<b>22,203,948</b>	<b>26,107,791</b>	<b>3,903,843</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool/Kindergarten	11-110-100-101	354,965	-	354,965	332,502	22,463
Grades 1 - 5	11-120-100-101	2,708,286	20,113	2,728,399	2,581,086	147,313
Grades 6 - 8	11-130-100-101	2,405,980	-	2,405,980	2,377,904	28,076
<b>Home Instruction - Regular Programs:</b>						
Salaries of Teachers	11-150-100-101	19,250	13,122	32,372	31,902	470
Purchased Professional - Educational Services	11-150-100-320	11,000	(3,527)	7,473	4,991	2,482
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	42,000	(8,604)	33,396	4,022	29,374
Purchased Professional - Educational Services	11-190-100-320	313,500	-	313,500	120,014	193,486
Purchased Technical Services	11-190-100-340	2,250	-	2,250	-	2,250
General Supplies	11-190-100-610	552,381	(10,279)	542,102	442,458	99,644
Textbooks	11-190-100-640	1,125	-	1,125	260	865
Other Objects	11-190-100-890	1,200	-	1,200	150	1,050
<b>Total Regular Programs</b>		<b>6,411,937</b>	<b>10,825</b>	<b>6,422,762</b>	<b>5,895,289</b>	<b>527,473</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Special Education:</b>						
<b>Learning and/or Language Disabilities:</b>						
Salaries of Teachers	11-204-100-101	168,670	(23,394)	145,276	122,914	22,362
Other Salaries for Instruction	11-204-100-106	146,825	(10,000)	136,825	127,587	9,238
General Supplies	11-204-100-610	10,200	-	10,200	6,309	3,891
<b>Total Learning &amp;/or Language Disabilities</b>		<b>325,695</b>	<b>(33,394)</b>	<b>292,301</b>	<b>256,810</b>	<b>35,491</b>
<b>Behavioral Disabilities</b>						
Salaries of Teachers	11-209-100-101	62,201	20,970	83,171	83,171	-
Other Salaries for Instruction	11-209-100-106	38,522	585	39,107	23,006	16,101
General Supplies	11-209-100-610	11,610	(1,942)	9,668	8,740	928
<b>Total Behavioral Disabilities</b>		<b>112,333</b>	<b>19,613</b>	<b>131,946</b>	<b>114,917</b>	<b>17,029</b>
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	70,551	-	70,551	59,103	11,448
Other Salaries for Instruction	11-212-100-106	42,402	(19,605)	22,797	17,880	4,917
General Supplies	11-212-100-610	5,500	-	5,500	3,922	1,578
<b>Total Multiple Disabilities</b>		<b>118,453</b>	<b>(19,605)</b>	<b>98,848</b>	<b>80,905</b>	<b>17,943</b>
<b>Resource Room / Resource Center:</b>						
Salaries of Teachers	11-213-100-101	1,510,760	(27,904)	1,482,856	1,467,064	15,792
Other Salaries for Instruction	11-213-100-106	291,895	-	291,895	217,880	74,015
General Supplies	11-213-100-610	16,162	-	16,162	7,031	9,131
<b>Total Resource Room/Resource Center</b>		<b>1,818,817</b>	<b>(27,904)</b>	<b>1,790,913</b>	<b>1,691,975</b>	<b>98,938</b>
<b>Preschool Disabilities - Part-Time:</b>						
Salaries of Teachers	11-215-100-101	120,747	-	120,747	118,880	1,867
Other Salaries for Instruction	11-215-100-106	27,050	31,504	58,554	58,235	319
General Supplies	11-215-100-610	1,100	-	1,100	794	306
<b>Total Preschool Disabilities - Part-Time</b>		<b>148,897</b>	<b>31,504</b>	<b>180,401</b>	<b>177,909</b>	<b>2,492</b>
<b>Home Instruction</b>						
Purchased Prof.- Ed Services	11-219-100-320	-	12,000	12,000	5,280	6,720
<b>Total Home Instruction</b>		<b>-</b>	<b>12,000</b>	<b>12,000</b>	<b>5,280</b>	<b>6,720</b>
<b>Total Special Education</b>		<b>2,524,195</b>	<b>(17,786)</b>	<b>2,506,409</b>	<b>2,327,796</b>	<b>178,613</b>
<b>Basic Skills/Remedial - Instruction:</b>						
Salaries of Teachers	11-230-100-101	226,739	4,091	230,830	226,739	4,091
Other Salaries for Instruction	11-230-100-106	168,802	47,700	216,502	216,502	-
General Supplies	11-230-100-610	11,574	-	11,574	10,362	1,212
<b>Total Basic Skills/Remedial - Instruction</b>		<b>407,115</b>	<b>51,791</b>	<b>458,906</b>	<b>453,603</b>	<b>5,303</b>
<b>Bilingual Education - Instruction:</b>						
Salaries of Teachers	11-240-100-101	93,028	-	93,028	82,317	10,711
General Supplies	11-240-100-610	1,555	-	1,555	38	1,517
Textbooks	11-240-100-640	754	-	754	-	754
<b>Total Bilingual Education - Instruction</b>		<b>95,337</b>	<b>-</b>	<b>95,337</b>	<b>82,355</b>	<b>12,982</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	82,831	(10,480)	72,351	67,153	5,198
General Supplies	11-401-100-610	6,577	-	6,577	4,959	1,618
<b>Total School Sponsored Cocurricular - Activities</b>		<b>89,408</b>	<b>(10,480)</b>	<b>78,928</b>	<b>72,112</b>	<b>6,816</b>
<b>School Sponsored Athletics - Instruction:</b>						
Salaries	11-402-100-100	32,354	-	32,354	30,830	1,524
General Supplies	11-402-100-610	3,670	-	3,670	1,826	1,844
Other Objects	11-402-100-800	4,600	-	4,600	3,623	977
<b>Total School Sponsored Athletics - Instruction</b>		<b>40,624</b>	<b>-</b>	<b>40,624</b>	<b>36,279</b>	<b>4,345</b>
<b>Total - Instruction</b>		<b>9,568,616</b>	<b>34,350</b>	<b>9,602,966</b>	<b>8,867,434</b>	<b>735,532</b>



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Undistributed Expenditures						
Instruction:						
Tuition to Other LEAs Within State Special	11-000-100-562	193,074	30,177	223,251	48,393	174,858
Tuition to CSSD & Regional Day School	11-000-100-565	653,000	25,259	678,259	636,399	41,860
Tuition to Private Schools for Disabled Within the State	11-000-100-566	534,029	7,880	541,909	359,826	182,083
Tuition Other	11-000-100-569	7,500	5,700	13,200	-	13,200
Total Undistributed Expenditures - Instruction		1,387,603	69,016	1,456,619	1,044,618	412,001
Attendance and Social Work Services:						
Purchased Technical Services	11-000-211-340	7,500	1,025	8,525	4,335	4,190
Total Attendance and Social Work Services		7,500	1,025	8,525	4,335	4,190
Health Services:						
Salaries	11-000-213-100	201,038	-	201,038	199,338	1,700
Purchased Professional & Technical Services	11-000-213-300	17,250	(3,000)	14,250	8,750	5,500
Supplies and Materials	11-000-213-600	6,510	-	6,510	3,959	2,551
Total Health Services		224,798	(3,000)	221,798	212,047	9,751
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	409,438	22,125	431,563	400,098	31,465
Purchased Professional - Educational Services	11-000-216-320	573,410	19,556	592,966	321,943	271,023
Supplies and Materials	11-000-216-600	11,200	(49)	11,151	9,296	1,855
Total Other Support Services - Students - Related Services		994,048	41,632	1,035,680	731,337	304,343
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	252,174	4,834	257,008	257,008	-
Salaries of Secretarial & Clerical Assistants	11-000-218-105	28,195	9	28,204	28,204	-
Total Other Support Services - Students - Regular		280,369	4,843	285,212	285,212	-
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	600,197	18,941	619,138	619,138	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	49,835	-	49,835	49,259	576
Purchased Professional - Educational Services	11-000-219-320	22,002	(7,080)	14,922	14,921	1
Supplies and Materials	11-000-219-600	6,000	1,389	7,389	3,487	3,902
Other Objects	11-000-219-800	1,200	-	1,200	1,182	18
Total Other Support Services - Students - Special Services		679,234	13,250	692,484	687,987	4,497
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	120,330	29,775	150,105	149,028	1,077
Salaries of Other Professional Staff	11-000-221-104	72,245	-	72,245	71,903	342
Total Improvement of Instruction Services		192,575	29,775	222,350	220,931	1,419
Educational Media Services/School Library:						
Salaries	11-000-222-100	122,979	(561)	122,418	121,598	820
Purchased Professional & Technical Services	11-000-222-300	21,950	313	22,263	18,397	3,866
Other Purchase Services	11-000-222-500	79,500	-	79,500	59,905	19,595
Supplies and Materials	11-000-222-600	29,055	(439)	28,616	22,468	6,148
Total Educational Media Services/School Library		253,484	(687)	252,797	222,368	30,429

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Instructional Staff Training Services:</b>						
Salaries of Other Professional Staff	11-000-223-104	24,153	(1,050)	23,103	6,489	16,614
Salaries of Secretarial & Clerical Assistants	11-000-223-105	55,565	-	55,565	55,550	15
Purchased Professional - Educational Services	11-000-223-320	68,550	-	68,550	29,894	38,656
Purchased Professional & Technical Services	11-000-223-390	13,800	-	13,800	12,898	902
Other Purchased Services	11-000-223-500	10,765	-	10,765	6,798	3,967
Supplies and Materials	11-000-223-600	495	1,050	1,545	1,403	142
Other Objects	11-000-223-800	1,918	-	1,918	1,150	768
<b>Total Instructional Staff Training Services</b>		<b>175,246</b>	<b>-</b>	<b>175,246</b>	<b>114,182</b>	<b>61,064</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	240,297	1	240,298	240,298	-
Legal Services	11-000-230-331	75,500	(5,000)	70,500	60,346	10,154
Audit Services	11-000-230-332	31,000	6,500	37,500	32,812	4,688
Other Purchased Professional Services	11-000-230-339	2,500	11,321	13,821	7,846	5,975
Purchased Technical Services	11-000-230-340	12,000	70,000	82,000	43,437	38,563
Communications/Telephone	11-000-230-530	77,000	30,879	107,879	64,760	43,119
BOE Other Purchased Services	11-000-230-585	11,500	-	11,500	2,844	8,656
Other Purchased Services (400-500Series)	11-000-230-590	8,000	1,000	9,000	7,533	1,467
General Supplies	11-000-230-610	23,000	(1)	22,999	6,387	16,612
Miscellaneous Expenditures	11-000-230-890	2,850	-	2,850	2,330	520
BOE Membership Dues & Fees	11-000-230-895	18,220	-	18,220	15,151	3,069
<b>Total Support Services General Administration</b>		<b>501,867</b>	<b>114,700</b>	<b>616,567</b>	<b>483,744</b>	<b>132,823</b>
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	355,993	-	355,993	339,116	16,877
Salaries of Secretarial & Clerical Assistants	11-000-240-105	202,096	-	202,096	190,314	11,782
Other Salaries	11-000-240-110	-	13,804	13,804	-	13,804
Supplies and Materials	11-000-240-600	7,950	43,300	51,250	1,335	49,915
Other Objects	11-000-240-800	5,300	-	5,300	3,445	1,855
<b>Total Support Services School Administration</b>		<b>571,339</b>	<b>57,104</b>	<b>628,443</b>	<b>534,210</b>	<b>94,233</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	352,485	-	352,485	348,458	4,027
Purchased Professional Services	11-000-251-330	27,000	6,068	33,068	26,898	6,170
Other Purchased Services	11-000-251-592	3,200	-	3,200	340	2,860
Supplies and Materials	11-000-251-600	4,040	925	4,965	3,460	1,505
Interest for Lease Purchase Agreement	11-000-251-832	2,500	-	2,500	-	2,500
Miscellaneous Expenditures	11-000-251-890	5,000	-	5,000	3,793	1,207
<b>Total Central Services</b>		<b>394,225</b>	<b>6,993</b>	<b>401,218</b>	<b>382,949</b>	<b>18,269</b>
<b>Administration Information Technology:</b>						
Salaries	11-000-252-100	165,400	-	165,400	164,400	1,000
Purchased Technical Services	11-000-252-340	71,000	35,000	106,000	74,100	31,900
Supplies and Materials	11-000-252-600	93,600	31,500	125,100	102,371	22,729
Miscellaneous Expenditures	11-000-252-800	1,100	-	1,100	-	1,100
<b>Total Administration Information Technology</b>		<b>331,100</b>	<b>66,500</b>	<b>397,600</b>	<b>340,871</b>	<b>56,729</b>
<b>Allowable Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	5,000	(1,822)	3,178	-	3,178
Cleaning, Repair & Maintenance Services	11-000-261-420	262,583	65,773	328,356	237,239	91,117
General Supplies	11-000-261-610	60,500	17,703	78,203	66,711	11,492
Other Objects	11-000-261-800	9,750	224	9,974	1,172	8,802
<b>Total Allowable Maintenance for School Facilities</b>		<b>337,833</b>	<b>81,878</b>	<b>419,711</b>	<b>305,122</b>	<b>114,589</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
<b>Other Operation &amp; Maintenance of Plant:</b>						
Salaries	11-000-262-100	787,042	(30,001)	757,041	746,671	10,370
Purchased Professional & Technical Services	11-000-262-300	22,000	-	22,000	13,187	8,813
Cleaning, Repair & Maintenance Services	11-000-262-420	189,058	21,627	210,685	142,156	68,529
Rental of Land & Building	11-000-262-441	2,000	-	2,000	652	1,348
Other Purchased Property Services	11-000-262-490	185,000	(19,670)	165,330	78,674	86,656
Insurance	11-000-262-520	88,300	800	89,100	84,609	4,491
General Supplies	11-000-262-610	85,000	29,200	114,200	108,890	5,310
Energy (Natural Gas)	11-000-262-621	100,000	-	100,000	41,915	58,085
Energy (Electricity)	11-000-262-622	500,350	(53,125)	447,225	344,348	102,877
Energy (Gasoline)	11-000-262-626	7,500	-	7,500	3,836	3,664
Other Objects	11-000-262-800	2,500	-	2,500	400	2,100
<b>Total Other Operation &amp; Maintenance of Plant</b>		<b>1,968,750</b>	<b>(51,169)</b>	<b>1,917,581</b>	<b>1,565,338</b>	<b>352,243</b>
<b>Care &amp; Upkeep of Grounds:</b>						
Other Purchased Professional Salaries	11-000-263-100	91,087	708	91,795	91,614	181
Technical Services	11-000-263-300	6,500	-	6,500	1,850	4,650
General Supplies	11-000-263-610	20,000	(708)	19,292	16,931	2,361
<b>Total Care &amp; Upkeep of Grounds</b>		<b>117,587</b>	<b>-</b>	<b>117,587</b>	<b>110,395</b>	<b>7,192</b>
<b>Student Transportation Services:</b>						
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	58,000	15,499	73,499	61,173	12,326
Contracted Services (Between Home & School) - Vendors	11-000-270-511	440,640	-	440,640	373,700	66,940
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	14,220	-	14,220	9,763	4,457
Contracted Services (Between Home & School) - Joint	11-000-270-513	20,000	-	20,000	-	20,000
Contracted Services (Special Education Students) - Vendors	11-000-270-514	85,000	-	85,000	51,120	33,880
Contracted Services (Special Education Students) - Joint	11-000-270-515	30,000	7,956	37,956	-	37,956
Contracted Services (Regular Students) - ESC's	11-000-270-517	95,000	69,635	164,635	97,923	66,712
Contracted Services (Special Education Students) - ESC's	11-000-270-518	395,000	136,234	531,234	176,773	354,461
<b>Total Student Transportation Services</b>		<b>1,137,860</b>	<b>229,324</b>	<b>1,367,184</b>	<b>770,452</b>	<b>596,732</b>
<b>Unallocated Benefits - Employee Benefits:</b>						
Group Insurance	11-000-291-210	15,000	-	15,000	-	15,000
Social Security	11-000-291-220	270,000	-	270,000	228,256	41,744
Other Retirement Contributions- PERS	11-000-291-241	330,000	(12,183)	317,817	267,738	50,079
Other Retirement Contributions - Regular	11-000-291-249	20,000	-	20,000	3,808	16,192
Unemployment Compensation	11-000-291-250	20,000	12,183	32,183	6,560	25,623
Workmen's Compensation	11-000-291-260	99,000	-	99,000	97,778	1,222
Health Benefits	11-000-291-270	4,221,200	(240,354)	3,980,846	3,490,873	489,973
Tuition Reimbursements	11-000-291-280	34,000	-	34,000	2,350	31,650
Other Employee Benefits	11-000-291-290	5,000	-	5,000	2,700	2,300
Unused Vacation Payment to Term/Ret. Staff	11-000-291-299	70,000	(8,160)	61,840	61,840	-
<b>Total Unallocated Benefits</b>		<b>5,084,200</b>	<b>(248,514)</b>	<b>4,835,686</b>	<b>4,161,903</b>	<b>673,783</b>
<b>Nonbudgeted:</b>						
<b>On-Behalf TPAF:</b>						
Post-Retirement Medical Contributions		-	-	-	767,460	(767,460)
Normal Pension Contributions		-	-	-	2,068,728	(2,068,728)
Long Term Disability Insurance		-	-	-	704	(704)
Reimbursed TPAF Social Security		-	-	-	685,456	(685,456)
<b>Total Undistributed Expenditures</b>		<b>14,639,618</b>	<b>412,670</b>	<b>15,052,288</b>	<b>15,700,349</b>	<b>(648,061)</b>
<b>Total Expenditures - Current Expense</b>		<b>24,208,234</b>	<b>447,020</b>	<b>24,655,254</b>	<b>24,567,783</b>	<b>87,471</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604-000-000	500	-	500	-	500
Total Increase in Capital Reserve		500	-	500	-	500
Equipment:						
Regular Programs - Instruction:						
Administrative Info Technology	12-000-252-730	25,500	10,000	35,500	32,966	2,534
Custodial Services	12-000-262-730	20,000	(4,524)	15,476	-	15,476
Care and Upkeep of Grounds	12-000-263-730	18,000	42,078	60,078	59,639	439
Non-Instructional Services	12-000-300-730	7,200	(7,200)	-	-	-
Multiple Disabilities	12-212-100-730	-	8,000	8,000	7,722	278
Cafeteria	12-000-310-732	-	7,200	7,200	-	7,200
Total Equipment		70,700	55,554	126,254	100,327	25,927
Facilities Acquisition & Construction Services:						
Assessment for Debt Service	12-000-400-896	45,789	-	45,789	45,789	-
Total Facilities Acquisition & Construction Services		45,789	-	45,789	45,789	-
Total Capital Outlay		116,989	55,554	172,543	146,116	26,427
Total Expenditures		24,325,223	502,574	24,827,797	24,713,899	113,898
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(2,121,275)	(502,574)	(2,623,849)	1,393,892	4,017,741
Fund Balances, July 1		7,467,938	-	7,467,938	7,467,938	-
Fund Balances, June 30		\$ 5,346,663	\$ (502,574)	\$ 4,844,089	\$ 8,861,830	\$ 4,017,741

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Encumbrances	\$ 543,883
Cancelled Encumbrances	<u>(41,309)</u>
Total	<u>\$ 502,574</u>

**RECAPITULATION OF FUND BALANCE**

<b>Restricted Fund Balance:</b>	
Reserved Excess Surplus Designated of Subsequent Year's Expenditures	\$ 2,456,470
Maintenance Reserve	500,211
Capital Reserve	2,596,321
Excess Surplus	2,598,534
<b>Assigned Fund Balance:</b>	
Year-End Encumbrances	111,554
<b>Unassigned Fund Balance</b>	<u>598,740</u>
Subtotal	8,861,830
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(714,267)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 8,147,563</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Federal Sources	\$ 471,360	\$ 74,587	\$ 545,947	\$ 531,781	\$ (14,166)
Total Revenues	471,360	74,587	545,947	531,781	(14,166)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	119,051	10,481	129,532	129,532	-
Professional Educational Services	2,825	-	2,825	2,825	-
Tuition	275,481	49,298	324,779	310,772	14,007
General Supplies	3,006	3,831	6,837	6,837	-
Total Instruction	400,363	63,610	463,973	449,966	14,007
Support Services:					
Salaries	4,329	(371)	3,958	3,799	159
Personal Services - Employee Benefits	30,922	9,863	40,785	40,785	-
Purchased Professional Services	32,250	(100)	32,150	32,150	-
Other Purchased Services	2,108	1,169	3,277	3,277	-
Supplies & Materials	1,388	416	1,804	1,804	-
Total Support Services	70,997	10,977	81,974	81,815	159
Total Expenditures	471,360	74,587	545,947	531,781	14,166
Total Outflows	471,360	74,587	545,947	531,781	14,166
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION - PART II  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI - PART II  
 FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Explanation of Differences between Budgetary Inflows and Outflows and  
 GAAP Revenues and Expenditures**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 26,107,791	\$ 531,781
Difference - 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	-	(205)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	760,835	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(714,267)	-
	\$ 26,154,359	\$ 531,576
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	24,713,899	531,781
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	(205)
	\$ 24,713,899	\$ 531,576
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)		

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.02743%	0.02939%	0.03159%	0.03274%	0.03107%	0.03040%	0.03276%
School District's proportionate share of the net pension liability	\$ 4,941,727	\$ 5,786,813	\$ 7,354,788	\$ 9,697,166	\$ 6,974,000	\$ 5,691,661	\$ 6,261,749
School District's covered payroll	\$ 1,808,602	\$ 1,922,441	\$ 2,092,961	\$ 2,149,630	\$ 2,192,147	\$ 2,144,986	\$ 2,074,797
School District's proportionate share of the net pension liability as a percentage of its covered payroll	273.23%	301.01%	351.41%	451.11%	318.14%	265.35%	301.80%
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%

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

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

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

	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 266,773	\$ 292,339	\$ 292,693	\$ 290,873	\$ 267,096	\$ 250,611	\$ 246,866
Contributions in relation to the contractually required contribution	<u>(266,773)</u>	<u>(292,339)</u>	<u>(292,693)</u>	<u>(290,873)</u>	<u>(267,096)</u>	<u>(250,611)</u>	<u>(246,866)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 1,922,441	\$ 1,922,441	\$ 2,092,961	\$ 2,149,630	\$ 2,192,147	\$ 2,144,986	N/A
Contributions as a percentage of covered payroll	13.88%	15.21%	13.98%	14.11%	13.53%	12.18%	11.68%

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

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

	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	59,653,633	62,517,273	69,617,672	80,497,849	59,538,110	52,486,407	50,245,999
	<u>\$ 59,653,633</u>	<u>\$ 62,517,273</u>	<u>\$ 69,617,672</u>	<u>\$ 80,497,849</u>	<u>\$ 59,538,110</u>	<u>\$ 52,486,407</u>	<u>\$ 50,245,999</u>
School District's covered payroll	\$ 9,797,982	\$ 9,759,042	\$ 10,038,054	\$ 10,278,649	\$ 10,492,779	\$ 10,173,303	\$ 9,457,611
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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%

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

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

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M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)

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

	2020	2019	2018
<b>Total OPEB Liability Associated with the School District</b>			
Service Cost	\$ 1,739,739	\$ 2,063,213	\$ 2,478,437
Interest Cost	1,943,759	2,125,872	1,828,460
Differences between Expected and Actual Experiences	(8,110,977)	(6,092,832)	-
Changes of Assumptions	656,843	(5,638,656)	(7,386,667)
Contributions: Member	40,086	45,410	49,423
Gross Benefit Payments	(1,352,314)	(1,313,892)	(1,342,184)
Net Change in Total OPEB Liability	(5,082,864)	(8,810,885)	(4,372,531)
Total OPEB Liability (Beginning)	57,947,357	57,947,357	62,319,888
Total OPEB Liability (Ending)	<u>\$ 52,864,493</u>	<u>\$ 49,136,472</u>	<u>\$ 57,947,357</u>
District's Covered Employee Payroll	\$ 11,606,584	\$ 11,681,483	\$ 11,995,967
District's Net OPEB Liability as a Percentage of Payroll	455%	421%	483%

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
YEAR ENDED JUNE 30, 2020**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.87% as of June 30, 2018, to 3.50% as of June 30, 2019.

**OTHER SUPPLEMENTARY INFORMATION**

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E. Special Revenue Fund

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	TITLE I	TITLE II - PART A	TITLE III - IMMIGRANT	TITLE IV - ESSA	I.D.E.A. PART B BASIC	I.D.E.A. PART B PRESCHOOL	TOTAL
Revenues:							
Federal Sources	\$ 148,339	\$ 31,042	\$ 2,097	\$ 10,000	\$ 325,162	\$ 15,141	\$ 531,781
Total Revenues	\$ 148,339	\$ 31,042	\$ 2,097	\$ 10,000	\$ 325,162	\$ 15,141	\$ 531,781
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 99,657	\$ -	\$ -	\$ 8,000	\$ 21,875	\$ -	\$ 129,532
Professional Educational Services	2,825	-	-	-	-	-	2,825
Tuition	-	-	-	-	295,631	15,141	310,772
Supplies	4,899	-	1,938	-	-	-	6,837
Total Instruction	107,381	-	1,938	8,000	317,506	15,141	449,966
Support Services:							
Salaries	3,640	-	159	-	-	-	3,799
Employee Benefits	33,129	-	-	-	7,656	-	40,785
Other Purchased Professional Services	900	29,250	-	2,000	-	-	32,150
Other Purchased Services	1,877	1,400	-	-	-	-	3,277
Supplies	1,412	392	-	-	-	-	1,804
Total Support Services	40,958	31,042	159	2,000	7,656	-	81,815
Total Expenditures	\$ 148,339	\$ 31,042	\$ 2,097	\$ 10,000	\$ 325,162	\$ 15,141	\$ 531,781

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F. Capital Projects Fund

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		TRANSFER TO DEBT SERVICE FUND	UNEXPENDED BALANCE JUNE 30, 2020
			PRIOR YEARS	CURRENT YEAR		
To undertake the acquisition & installation of solar energy panels at the Ashbrook Elementary School, Florence L. Walther Elementary School, Lumberton Middle School and Bobby's Run Elementary School as well as related work for acquisition and installation of the panels.	8/4/2011	\$ 7,000,000	\$ 6,136,847	\$ -	\$ 788,942	\$ 74,211
<b>2019 Bond Referendum Projects</b>						
Asbrook Elementary School Various Improvements		1,052,147	80,145	896,684	-	75,318
Bobby's Run Elementary School Various Improvements		652,552	321,021	239,740	-	91,791
Florence L. Walther Elementary School Various Improvements		746,737	162,137	451,821	-	132,779
Lumberton Middle School Various Improvements		2,429,564	710,989	1,174,664	-	543,911
<b>Total</b>		<b>\$ 11,881,000</b>	<b>\$ 7,411,139</b>	<b>\$ 2,762,909</b>	<b>\$ 788,942</b>	<b>\$ 918,010</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

Revenues & Other Financing Sources:	
Bond Proceeds & Transfers	\$ 4,881,000
Miscellaneous	8,006
	<hr/>
Total Revenues & Other Sources	4,889,006
	<hr/>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	341,751
Construction Services	2,407,402
Supplies	3,756
Other Objects	10,000
Transfer to Debt Service	8,006
	<hr/>
Total Expenditures & Other Financing Uses	2,770,915
	<hr/>
Excess/(Deficiency) of Revenues & Other Financing Sources	
Over/(Under) Expenditures & Other Financing Uses	2,118,091
Fund Balances, July 1	(1,200,081)
	<hr/>
Fund Balances, June 30	\$ 918,010
	<hr/> <hr/>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
LUMBERTON - SOLAR PROJECT  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 7,000,000	\$ -	\$ 7,000,000	\$ 7,000,000
Total Revenues	<u>7,000,000</u>	<u>-</u>	<u>7,000,000</u>	<u>7,000,000</u>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	508,146	-	508,146	508,146
Construction Services	5,624,284	-	5,624,284	6,487,437
Other Objects	4,417	-	4,417	4,417
Total Expenditures	<u>6,136,847</u>	<u>-</u>	<u>6,136,847</u>	<u>7,000,000</u>
Transfer to Debt Service Fund	<u>788,942</u>	<u>-</u>	<u>788,942</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 74,211</u>	<u>\$ -</u>	<u>\$ 74,211</u>	<u>\$ -</u>

## Additional Project Information:

DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Date	N/A
Bond Authorization Date	8/4/2010
Bonds Authorization	7,000,000
Bonds Issued	7,000,000
Original Authorized Cost	7,000,000
Additional Authorized Cost	-
Revised Authorized Cost	7,000,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
ASHBROOK ELEMENTARY SCHOOL  
VARIOUS CAPITAL IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenues &amp; Other Financing Sources:</b>				
Bond Proceeds	\$ -	\$ 1,052,147	\$ 1,052,147	\$ 1,052,147
Total Revenues	-	1,052,147	1,052,147	1,052,147
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	40,401	184,988	225,389	129,883
Construction Services	39,744	710,287	750,031	822,794
Supplies	-	1,409	1,409	734
Other Objects	-	-	-	98,736
Total Expenditures & Other Financing Uses	80,145	896,684	976,829	1,052,147
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ (80,145)	\$ 155,463	\$ 75,318	\$ -

**Additional Project Information:**

Bond Authorization Date	6/29/2019
Bonds Authorization	1,052,147
Bonds Issued	1,052,147
Original Authorized Cost	1,052,147
Additional Authorized Cost	-
Revised Authorized Cost	1,052,147
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	93%
Original Target Completion Date	2020-2021
Revised Target Completion Date	N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
BOBBY'S RUN ELEMENTARY SCHOOL  
VARIOUS CAPITAL IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds	\$ -	\$ 652,552	\$ 652,552	\$ 652,552
Total Revenues	-	652,552	652,552	652,552
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	20,216	51,058	71,274	69,424
Construction Services	300,805	177,900	478,705	520,050
Supplies	-	782	782	672
Other Objects	-	10,000	10,000	62,406
Total Expenditures & Other Financing Uses	321,021	239,740	560,761	652,552
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ (321,021)	\$ 412,812	\$ 91,791	\$ -
Additional Project Information:				
Bond Authorization Date				6/29/2019
Bonds Authorization				652,552
Bonds Issued				652,552
Original Authorized Cost				652,552
Additional Authorized Cost				-
Revised Authorized Cost				652,552
Percentage Increase Over Original Authorized Cost				0%
Percentage Completion				86%
Original Target Completion Date				2020-2021
Revised Target Completion Date				N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
FLORENCE L. WALTHER ELEMENTARY SCHOOL  
VARIOUS CAPITAL IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds	\$ -	\$ 746,737	\$ 746,737	\$ 746,737
Total Revenues	-	746,737	746,737	746,737
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	67,665	28,058	95,723	103,658
Construction Services	94,472	422,981	517,453	568,469
Supplies	-	782	782	672
Other Objects	-	-	-	73,938
Total Expenditures & Other Financing Uses	162,137	451,821	613,958	746,737
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ (162,137)	\$ 294,916	\$ 132,779	\$ -
Additional Project Information:				
Bond Authorization Date				6/29/2019
Bonds Authorization				746,737
Bonds Issued				746,737
Original Authorized Cost				746,737
Additional Authorized Cost				-
Revised Authorized Cost				746,737
Percentage Increase Over Original Authorized Cost				0%
Percentage Completion				82%
Original Target Completion Date				2020-2021
Revised Target Completion Date				N/A



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
LUMBERTON MIDDLE SCHOOL  
VARIOUS CAPITAL IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
Revenues & Other Financing Sources:				
Bond Proceeds	\$ -	\$ 2,429,564	\$ 2,429,564	\$ 2,429,564
Total Revenues	-	2,429,564	2,429,564	2,429,564
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	47,293	77,647	124,940	210,330
Construction Services	663,696	1,096,234	1,759,930	1,966,809
Supplies	-	783	783	672
Other Objects	-	-	-	251,753
Total Expenditures & Other Financing Uses	710,989	1,174,664	1,885,653	2,429,564
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ (710,989)	\$ 1,254,900	\$ 543,911	\$ -

## Additional Project Information:

Bond Authorization Date	6/29/2019
Bonds Authorization	N/A
Bonds Issued	2,429,564
Original Authorized Cost	2,429,564
Additional Authorized Cost	-
Revised Authorized Cost	2,429,564
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	78%
Original Target Completion Date	2020-2021
Revised Target Completion Date	N/A

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## G. Proprietary Funds

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING SCHEDULE OF NET POSITION  
 AS OF JUNE 30, 2020**

ASSETS	EXTENDED DAY <u>CARE</u>	FOOD SERVICE <u>FUND</u>	<u>TOTAL</u>
Current Assets:			
Cash & Cash Equivalents	\$ 248,705	\$ 146,377	\$ 395,082
Accounts Receivable:			
State	-	1,575	1,575
Federal	-	33,194	33,194
Inventories	-	6,219	6,219
Total Current Assets	<u>248,705</u>	<u>187,365</u>	<u>436,070</u>
Noncurrent Assets:			
Equipment	286,124	648,067	934,191
Less: Accumulated Depreciation	<u>(191,081)</u>	<u>(531,016)</u>	<u>(722,097)</u>
Total Noncurrent Assets	<u>95,043</u>	<u>117,051</u>	<u>212,094</u>
Total Assets	<u>343,748</u>	<u>304,416</u>	<u>648,164</u>
LIABILITIES			
Current Liabilities:			
Interfund Payable	-	40,673	40,673
Accounts Payable	<u>903</u>	<u>-</u>	<u>903</u>
Total Current Liabilities	<u>903</u>	<u>40,673</u>	<u>41,576</u>
NET POSITION			
Investment in Capital Assets	95,043	117,051	212,094
Unrestricted	<u>247,802</u>	<u>146,692</u>	<u>394,494</u>
Total Net Position	<u>\$ 342,845</u>	<u>\$ 263,743</u>	<u>\$ 606,588</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 AS OF JUNE 30, 2020**

	<u>EXTENDED DAY CARE</u>	<u>FOOD SERVICE FUND</u>	<u>TOTAL</u>
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 130,362	\$ 130,362
Daily Sales - Nonreimbursable Programs	-	71,529	71,529
Special Functions	-	5,176	5,176
Enrollment Fees	303,048	-	303,048
Miscellaneous	-	669	669
	<hr/>	<hr/>	<hr/>
Total Operating Revenue	303,048	207,736	510,784
Operating Expenses:			
Salaries	317,692	149,305	466,997
Payroll Taxes & Benefits	31,245	30,469	61,714
Supplies and Materials	3,230	18,330	21,560
Management Fee	-	63,600	63,600
Depreciation	11,399	17,659	29,058
Miscellaneous	42,284	83,462	125,746
Cost of Sales - Reimbursable	-	125,810	125,810
Cost of Sales - Non Reimbursable	-	68,892	68,892
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	405,850	557,527	963,377
Operating Income/(Loss)	<hr/> (102,802)	<hr/> (349,791)	<hr/> (452,593)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	5,931	5,931
Federal Sources:			
National School Lunch Program	-	182,919	182,919
National School Breakfast Program	-	81,064	81,064
Special Milk Program	-	68	68
Healthy Hunger-Free Kids Act	-	6,193	6,193
Food Distribution Program	-	51,656	51,656
Interest Revenue	1,695	-	1,695
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	1,695	327,831	329,526
Change in Net Position	(101,107)	(21,960)	(123,067)
Total Net Position - Beginning (Restated)	443,952	285,703	729,655
	<hr/>	<hr/>	<hr/>
Total Net Position - Ending	\$ 342,845	\$ 263,743	\$ 606,588
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
PROPRIETARY FUNDS  
COMBINING SCHEDULE OF CASH FLOWS  
AS OF JUNE 30, 2020**

	EXTENDED DAY CARE	FOOD SERVICE FUND	<u>TOTAL</u>
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 303,048	\$ 207,736	\$ 510,784
Payments to Employees	(317,692)	(149,305)	(466,997)
Payment to Employee Benefits	(31,245)	(30,469)	(61,714)
Payments to Suppliers	(44,611)	(327,385)	(371,996)
	<u>(90,500)</u>	<u>(299,423)</u>	<u>(389,923)</u>
Net Cash Provided/(Used) by Operating Activities			
Cash Flows From Noncapital Financing			
State Sources	-	4,756	4,756
Federal Sources	-	303,471	303,471
	<u>-</u>	<u>308,227</u>	<u>308,227</u>
Net Cash Provided by Noncapital Financing Activities			
Cash Flows From Investing Activities:			
Purchase of Capital Assets	(17,085)	(28,726)	(45,811)
Interest on Investments	1,695	-	1,695
	<u>(15,390)</u>	<u>(28,726)</u>	<u>(44,116)</u>
Net Cash Provided by Investing Activities			
Net Increase/(Decrease) in Cash & Cash Equivalents	(105,890)	(19,922)	(125,812)
Cash and Cash Equivalents, July 1	354,595	166,299	520,894
	<u>\$ 248,705</u>	<u>\$ 146,377</u>	<u>\$ 395,082</u>
Cash and Cash Equivalents, June 30			

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

Operating Income/(Loss)	\$ (102,802)	\$ (349,791)	\$ (452,593)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	11,399	17,659	29,058
(Increase)/Decrease in Inventory	-	(765)	(765)
(Decrease)/Increase in Accounts Payable	903	-	903
	<u>12,302</u>	<u>16,894</u>	<u>29,196</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (90,500)</u>	<u>\$ (299,423)</u>	<u>\$ (389,923)</u>

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## H. Fiduciary Fund

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2020**

ASSETS	<u>PRIVATE PURPOSE TRUST FUNDS</u>		<u>AGENCY FUNDS</u>		<u>TOTAL</u>
	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>SCHOLARSHIP TRUST</u>	<u>PAYROLL</u>	<u>STUDENT ACTIVITY</u>	
Cash & Cash Equivalents	\$ 55,528	\$ 2,995	\$ 17,195	\$ 55,912	\$ 131,630
Total Assets	55,528	2,995	17,195	55,912	131,630
<b>LIABILITIES</b>					
Accounts Payable	10,652	-	-	-	10,652
Payroll Deductions & Withholdings	-	-	17,195	-	17,195
Due to Student Groups	-	-	-	55,912	55,912
Total Liabilities	10,652	-	17,195	55,912	83,759
<b>NET POSITION</b>					
Held in Trust For:					
Unemployment Claims	44,876	-	-	-	44,876
Scholarships	-	2,995	-	-	2,995
Total Net Position	\$ 44,876	\$ 2,995	\$ -	\$ -	\$ 47,871

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>PRIVATE PURPOSE TRUST FUNDS</u>		
	<u>UNEMPLOYMENT</u>		
	<u>COMPENSATION</u>	<u>SCHOLARSHIP</u>	
	<u>TRUST</u>	<u>TRUST</u>	<u>TOTAL</u>
<b>ADDITIONS:</b>			
Contributions:			
Payroll Deductions	\$ 20,384	\$ -	\$ 20,384
Investment Earnings:			
Interest	-	2	2
	<hr/>	<hr/>	<hr/>
Total Additions	20,384	2	20,386
	<hr/>	<hr/>	<hr/>
<b>DEDUCTIONS:</b>			
Unemployment Claims	40,652	-	40,652
Scholarships Awarded	-	240	240
	<hr/>	<hr/>	<hr/>
Total Deductions	40,652	240	40,892
	<hr/>	<hr/>	<hr/>
Change in Net Position	(20,268)	(238)	(20,506)
Net Position - Beginning of Year	65,144	3,233	68,377
	<hr/>	<hr/>	<hr/>
Net Position - End of Year	\$ 44,876	\$ 2,995	\$ 47,871
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BALANCE JULY 1, <u>2019</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2020</u>
Cash & Cash Equivalents	\$ 65,031	\$ 42,078	\$ 51,197	\$ 55,912
Total All Schools	<u>\$ 65,031</u>	<u>\$ 42,078</u>	<u>\$ 51,197</u>	<u>\$ 55,912</u>

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

ASSETS	BALANCE JULY 1, <u>2019</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE JUNE 30, <u>2020</u>
Cash & Cash Equivalents	\$ 12,531	\$ 14,497,598	\$ 14,492,934	\$ 17,195
Total Assets	<u>\$ 12,531</u>	<u>\$ 14,497,598</u>	<u>\$ 14,492,934</u>	<u>\$ 17,195</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 4,831	\$ 6,750,353	\$ 6,745,839	\$ 9,345
Flexible Spending	6,267	61,715	61,715	6,267
Net Payroll	1,433	7,685,530	7,685,380	1,583
Total Liabilities	<u>\$ 12,531</u>	<u>\$ 14,497,598</u>	<u>\$ 14,492,934</u>	<u>\$ 17,195</u>

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## I. Long-Term Debt

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2020**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL DATE</u>	<u>MATURITIES AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2019</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2020</u>
2010 School Bonds	8/4/2010	\$ 7,000,000	2/15/21	\$ 490,000	3.000%	\$ 3,680,000	\$ -	\$ 475,000	\$ 3,205,000
			2/15/22	505,000	3.000%				
			2/15/23	525,000	3.000%				
			2/15/24	540,000	3.250%				
			2/15/25	560,000	3.250%				
			2/15/26	585,000	3.375%				
2015 Refunding School Bonds	4/1/2015	4,205,000	N/A	N/A	N/A	890,000	-	890,000	-
2019 School Bonds	7/18/2019	4,881,000	7/15/20	321,000	2.000%	-	4,881,000	-	4,881,000
			7/15/21	400,000	2.000%				
			7/15/22	400,000	2.000%				
			7/15/23	410,000	2.000%				
			7/15/24	415,000	2.125%				
			7/15/25	445,000	2.125%				
			7/15/26	605,000	2.125%				
			7/15/27	615,000	2.125%				
			7/15/28	630,000	2.125%				
			7/15/29	640,000	2.250%				
Total						\$ 4,570,000	\$ 4,881,000	\$ 1,365,000	\$ 8,086,000

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE 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
Revenues:					
Local Sources:					
Local Tax Levy	\$ 957,463	\$ -	\$ 957,463	\$ 957,463	\$ -
State Sources:					
Debt Service Aid Type II	548,393	-	548,393	548,393	-
Total Revenues	1,505,856	-	1,505,856	1,505,856	-
Expenditures					
Regular Debt Service:					
Interest	140,857	-	140,857	140,857	-
Redemption of Principal	1,365,000	-	1,365,000	1,365,000	-
Total Expenditures	1,505,857	-	1,505,857	1,505,857	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources(Uses)	(1)	-	(1)	(1)	-
Other Financing Sources/(Uses):					
Operating Transfers In/(Out):					
Total Other Financing Uses	-	-	-	8,006	(8,006)
Excess/(Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources/(Uses)	(1)	-	(1)	8,005	(8,006)
Fund Balance, July 1	1	-	1	2	-
Fund Balance, June 30	-	\$ -	-	\$ 8,007	\$ (8,006)

**STATISTICAL SECTION (Unaudited)**

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time.

Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 12,951,425	\$ 14,893,680	\$ 13,793,008	\$ 13,799,757	\$ 12,844,641	\$ 12,176,611	\$ 12,792,421	\$ 11,723,958	\$ 9,319,583	\$ 6,908,701
Restricted	9,077,553	5,156,200	4,827,892	4,121,635	3,778,568	3,931,337	5,150,127	5,824,338	5,248,039	3,028,173
Unrestricted	(7,961,809)	(7,677,823)	(8,464,479)	(7,916,034)	(6,686,383)	(6,847,035)	(452,093)	(1,270,091)	(547,061)	1,077,225
<b>Total Governmental Activities</b>	<b>\$ 14,067,169</b>	<b>\$ 12,372,057</b>	<b>\$ 10,156,421</b>	<b>\$ 10,005,358</b>	<b>\$ 9,936,826</b>	<b>\$ 9,260,913</b>	<b>\$ 17,490,455</b>	<b>\$ 16,278,205</b>	<b>\$ 14,020,561</b>	<b>\$ 11,014,099</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 212,094	\$ 195,341	\$ 186,124	\$ 112,156	\$ 123,556	\$ 79,232	\$ 195,414	\$ 202,891	\$ -	\$ 4,000
Unrestricted	394,494	534,314	515,098	834,967	730,081	753,691	656,660	547,231	665,217	619,486
<b>Total Business-Type Activities</b>	<b>\$ 606,588</b>	<b>\$ 729,655</b>	<b>\$ 701,222</b>	<b>\$ 947,123</b>	<b>\$ 853,637</b>	<b>\$ 832,923</b>	<b>\$ 852,074</b>	<b>\$ 750,122</b>	<b>\$ 665,217</b>	<b>\$ 623,486</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 13,163,519	\$ 15,089,021	\$ 13,979,132	\$ 13,911,913	\$ 12,968,197	\$ 12,255,843	\$ 12,987,835	\$ 11,926,849	\$ 9,319,583	\$ 6,912,701
Restricted	9,077,553	5,156,200	4,827,892	4,121,635	3,778,568	3,931,337	5,150,127	5,824,338	5,248,039	3,028,173
Unrestricted	(7,567,315)	(7,143,509)	(7,949,381)	(7,081,067)	(5,956,302)	(6,093,344)	204,567	(722,860)	118,156	1,696,711
<b>Total District Net Position</b>	<b>\$ 14,673,757</b>	<b>\$ 13,101,712</b>	<b>\$ 10,857,643</b>	<b>\$ 10,952,481</b>	<b>\$ 10,790,463</b>	<b>\$ 10,093,836</b>	<b>\$ 18,342,529</b>	<b>\$ 17,028,327</b>	<b>\$ 14,685,778</b>	<b>\$ 11,637,585</b>

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

	FISCAL YEAR ENDING JUNE 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental Activities										
Instruction:										
Regular	5,895,289	5,780,706	6,117,102	6,146,521	6,162,092	6,051,836	6,056,478	5,858,548	5,337,156	5,511,184
Special Education	2,777,557	2,817,511	2,833,627	3,004,548	3,157,159	3,221,113	3,142,819	3,101,092	2,925,821	2,970,403
Other Special Instruction	535,958	478,450	479,154	476,231	436,729	430,509	417,255	415,989	365,872	333,295
Other Instruction	108,391	107,447	101,545	105,862	110,522	104,256	104,264	89,957	87,157	74,268
Support Services & Undistributed Costs:										
Tuition	1,044,618	1,050,953	1,114,772	858,921	729,211	541,483	667,811	469,536	551,302	498,833
Health Services	212,047	261,821	254,277	247,904	249,208	247,986	252,321	237,883	226,704	189,020
Student & Instruction Related Services	2,085,014	2,051,330	2,225,081	1,989,227	1,810,057	1,851,245	1,737,838	1,693,204	1,548,778	1,473,423
Educational Media Services/School Library	222,368	268,562	249,332	301,528	239,574	280,741	227,599	228,077	197,283	203,554
School Administrative Services	534,210	636,360	728,300	704,436	898,050	967,348	975,756	912,921	926,003	888,345
Other Administrative Services	1,207,564	1,313,355	1,254,580	1,217,127	1,201,506	1,140,016	1,232,478	1,143,910	1,077,637	995,151
Plant Operations & Maintenance	1,980,855	2,343,913	1,909,748	1,961,728	2,147,694	1,896,008	1,806,854	1,617,858	1,843,832	2,067,268
Pupil Transportation	782,211	863,521	1,047,922	968,116	1,013,986	1,020,021	891,983	894,954	874,561	813,623
Employee Benefits	9,165,937	10,383,447	13,460,961	7,665,974	9,455,693	8,082,560	5,564,069	5,608,421	5,069,778	4,782,545
Transfers to Charter Schools	-	-	-	-	-	36,314	36,200	25,116	8,304	-
Interest & Other Charges	249,271	177,994	214,670	250,266	285,699	472,209	472,077	545,156	623,908	706,341
Reduction of Capital Leases	-	-	-	-	-	73,990	13,348	34,567	34,567	34,567
Amortization of Debt Costs	-	-	-	-	-	-	-	-	-	-
Increase in Compensated Absences - Unallocated	-	-	-	-	-	-	37,091	162,915	-	190,779
Reduction in Fixed Assets Unallocated	-	-	-	-	-	-	-	(41,788)	-	(332,956)
Unallocated Depreciation	1,223,498	1,296,964	1,293,441	1,319,105	1,320,464	1,317,145	1,020,858	1,007,469	1,000,626	1,859,382
Total Governmental Activities Expenses	28,024,788	29,832,334	33,284,512	27,217,494	29,217,644	30,639,867	24,824,740	24,005,785	22,699,289	23,259,025
Business-Type Activities:										
Food Service	557,527	532,124	575,076	479,717	484,972	502,815	477,165	489,951	564,696	551,004
Extended Day Care	405,850	362,132	695,479	426,504	414,856	425,550	406,180	441,588	413,671	442,940
Total Business-Type Activities Expense	963,377	894,256	1,270,555	906,221	899,828	928,365	883,345	931,539	978,367	993,944
Total District Expenses	\$ 28,988,165	\$ 30,726,590	\$ 34,555,067	\$ 28,123,715	\$ 30,117,472	\$ 31,568,232	\$ 25,708,085	\$ 24,937,324	\$ 23,677,656	\$ 24,252,969



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

	FISCAL YEAR ENDING JUNE 30.									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 5,574,027	\$ 7,025,671	\$ 9,622,852	\$ 3,413,890	\$ 5,962,745	\$ 4,948,577	\$ 626,525	\$ 583,190	\$ 600,087	\$ 734,567
Total Governmental Activities Program Revenues	\$ 5,574,027	\$ 7,025,671	\$ 9,622,852	\$ 3,413,890	\$ 5,962,745	\$ 4,948,577	\$ 626,525	\$ 583,190	\$ 600,087	\$ 734,567
Business-Type Activities:										
Charges for Services:										
Food Service	207,736	292,085	311,955	315,611	299,214	305,520	326,640	332,655	399,890	412,885
Extended Day Care	303,048	362,264	406,451	453,901	409,110	479,302	478,293	477,286	451,586	440,920
Operating Grants & Contributions	327,831	234,509	224,615	229,420	212,198	231,296	180,041	170,902	166,185	159,133
Adjustment to Fixed Assets	-	80,015	-	-	-	(107,501)	-	35,093	-	-
Total Business Type Activities Program Revenues	\$ 838,615	\$ 888,858	\$ 1,023,036	\$ 998,932	\$ 920,522	\$ 908,617	\$ 984,974	\$ 984,974	\$ 980,843	\$ 1,017,661
Total District Program Revenues	\$ 6,412,642	\$ 7,914,529	\$ 10,645,888	\$ 4,412,822	\$ 6,883,267	\$ 5,857,194	\$ 1,611,499	\$ 1,568,164	\$ 1,580,930	\$ 1,752,228
Net/(Expense)/Revenue:										
Governmental Activities	\$ (22,450,761)	\$ (22,806,663)	\$ (23,661,660)	\$ (23,803,604)	\$ (23,254,899)	\$ (25,691,290)	\$ (24,198,215)	\$ (23,422,595)	\$ (22,099,202)	\$ (22,524,458)
Business-Type Activities	(124,762)	(5,398)	(247,519)	92,711	20,694	(19,748)	101,629	53,435	2,476	23,717
Total District-Wide Net Expense	\$ (22,575,523)	\$ (22,812,061)	\$ (23,909,179)	\$ (23,710,893)	\$ (23,234,205)	\$ (25,711,038)	\$ (24,096,586)	\$ (23,369,160)	\$ (22,096,726)	\$ (22,500,741)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General	\$ 14,358,226	\$ 14,075,765	\$ 13,799,770	\$ 13,305,006	\$ 12,856,287	\$ 12,338,726	\$ 12,096,791	\$ 11,926,593	\$ 11,692,738	\$ 11,692,738
Taxes Levied for Debt Service	957,463	837,556	887,854	904,126	1,310,472	1,488,731	2,043,080	2,018,353	2,018,353	2,018,353
Unrestricted/Restricted Grants & Contributions	8,439,471	8,807,420	8,928,049	8,889,736	8,996,152	9,226,856	10,986,413	11,613,041	11,220,435	10,125,014
Tuition Received	29,626	246,033	116,969	141,816	94,030	113,187	80,659	27,045	27,449	10,408
Investment Earnings	-	-	-	-	-	-	-	-	27,328	60,793
Miscellaneous Income	361,087	474,124	279,787	515,270	616,257	429,572	289,231	95,207	111,760	29,628
Unallocated Amortization	-	-	-	-	-	45,243	-	-	-	-
Reduction in Compensated Absences	-	-	-	-	57,614	81,182	-	-	7,601	-
Special Items	-	-	(199,706)	116,182	-	-	-	-	-	-
Total Governmental Activities	\$ 24,145,873	\$ 24,440,898	\$ 23,812,723	\$ 23,872,136	\$ 23,930,812	\$ 23,723,497	\$ 25,496,174	\$ 25,680,239	\$ 25,105,664	\$ 23,936,934
Business-Type Activities:										
Investment Earnings	1,695	1,553	1,618	775	20	597	323	508	2,437	3,953
Total Business-Type Activities	\$ 1,695	\$ 1,553	\$ 1,618	\$ 775	\$ 20	\$ 597	\$ 323	\$ 508	\$ 2,437	\$ 3,953
Total District-Wide	\$ 24,147,568	\$ 24,442,451	\$ 23,814,341	\$ 23,872,911	\$ 23,930,832	\$ 23,724,094	\$ 25,496,497	\$ 25,680,747	\$ 25,108,101	\$ 23,940,887
Change in Net Position:										
Governmental Activities	\$ 1,695,112	\$ 1,634,235	\$ 151,063	\$ 68,532	\$ 675,913	\$ (1,967,793)	\$ 1,297,959	\$ 2,257,644	\$ 3,006,462	\$ 1,412,476
Business-Type Activities	(123,067)	(3,845)	(245,901)	93,486	20,714	(19,151)	101,952	53,943	4,913	27,670
Total District	\$ 1,572,045	\$ 1,630,390	\$ (94,838)	\$ 162,018	\$ 696,627	\$ (1,986,944)	\$ 1,399,911	\$ 2,311,587	\$ 3,011,375	\$ 1,440,146

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

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Restricted	\$ 8,151,536	\$ 6,356,279	\$ 4,703,679	\$ 3,931,877	\$ 3,468,439	\$ 3,251,557	\$ 4,689,059	\$ 4,941,044	\$ 3,890,627	\$ 1,933,662
Committed								49,999	-	-
Assigned	111,554	634,957	481,168	918,454	472,999	370,526	-	-	-	-
Unassigned	(115,527)	(284,133)	(191,873)	(261,230)			(225,561)	(362,047)	418,021	1,378,353
<b>Total General Fund</b>	<b>\$ 8,147,563</b>	<b>\$ 6,707,103</b>	<b>\$ 4,992,974</b>	<b>\$ 4,589,101</b>	<b>\$ 3,941,438</b>	<b>\$ 3,622,083</b>	<b>\$ 4,463,498</b>	<b>\$ 3,312,014</b>	<b>\$ 2,463,744</b>	<b>\$ 3,388,231</b>
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	-	390,786	383,237	-	-
Restricted, Reported in:										
Special Revenue Fund					353,194	772,605	-	-	-	-
Capital Projects Fund	918,010	(1,200,081)	139,211	204,211	-	-	210,888	450,057	1,133,906	1,580,950
Debt Service Fund	8,007	2	50,002	50,547	50,547	1	2	1	-	52,825
<b>Total All Other Governmental Funds</b>	<b>\$ 926,017</b>	<b>\$ (1,200,079)</b>	<b>\$ 189,213</b>	<b>\$ 254,758</b>	<b>\$ 403,741</b>	<b>\$ 772,606</b>	<b>\$ 601,676</b>	<b>\$ 833,295</b>	<b>\$ 1,133,906</b>	<b>\$ 1,633,775</b>

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues:</b>										
Local Tax Levy	\$ 15,315,689	\$ 14,913,321	\$ 14,687,624	\$ 14,209,132	\$ 14,166,759	\$ 13,827,457	\$ 14,139,871	\$ 13,944,946	\$ 13,711,091	\$ 13,711,091
Tuition	29,626	246,033	116,969	141,816	94,030	113,187	80,659	27,045	27,449	10,408
Interest	-	-	-	-	-	-	-	-	26,443	56,634
Interest on Capital Reserve	-	-	-	-	-	-	-	-	885	4,159
Miscellaneous	361,087	474,124	279,787	515,270	616,257	429,572	289,231	95,207	111,760	29,628
State Sources	11,927,699	12,281,216	12,030,179	11,694,344	11,456,100	11,229,830	10,966,009	11,591,240	10,882,973	10,097,373
Federal Sources	565,696	604,841	611,325	609,282	686,738	630,619	646,929	604,991	937,549	762,208
<b>Total Revenue</b>	<b>28,199,797</b>	<b>28,519,535</b>	<b>27,725,884</b>	<b>27,169,844</b>	<b>27,019,884</b>	<b>26,230,665</b>	<b>26,122,699</b>	<b>26,263,429</b>	<b>25,698,150</b>	<b>24,671,501</b>
<b>Expenditures:</b>										
Instruction	9,317,195	9,184,114	9,531,428	9,733,162	9,866,502	9,807,714	9,720,816	9,465,586	8,716,006	8,889,150
Undistributed Instruction	15,782,164	16,171,607	16,140,376	15,175,449	14,657,652	13,740,688	13,356,709	12,806,764	12,315,878	11,911,762
Capital Outlay	2,863,236	1,295,032	134,388	186,770	533,693	1,258,052	621,910	375,845	860,597	5,491,925
Debt Service	1,551,646	1,543,945	1,581,364	1,575,783	2,011,547	2,052,744	2,959,181	3,570,381	3,550,588	2,949,446
<b>Total Expenditures</b>	<b>29,514,241</b>	<b>28,194,698</b>	<b>27,387,556</b>	<b>26,671,164</b>	<b>27,069,394</b>	<b>26,859,198</b>	<b>26,658,616</b>	<b>26,218,576</b>	<b>25,443,069</b>	<b>29,242,283</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(1,314,444)</b>	<b>324,837</b>	<b>338,328</b>	<b>498,680</b>	<b>(49,510)</b>	<b>(628,533)</b>	<b>(535,917)</b>	<b>44,853</b>	<b>255,081</b>	<b>(4,570,782)</b>
<b>Other Financing Sources/(Uses):</b>										
Proceeds from Borrowing	4,881,000	-	-	-	-	-	-	-	-	7,000,000
Cancellation of Grant Receivable	-	-	-	-	-	(5,638)	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-	-	175,000	-	249,988	-
Transfers to Charter Schools	-	-	-	-	-	(36,314)	(36,200)	(25,116)	(8,304)	-
Transfers in	8,006	65,000	65,000	65,000	185,992	-	-	407,950	349,750	-
Transfers Out	(8,006)	(65,000)	(65,000)	(65,000)	(185,992)	-	-	(407,950)	(349,750)	-
<b>Total Other Financing Sources/ (Uses)</b>	<b>4,881,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,952)</b>	<b>138,800</b>	<b>(25,116)</b>	<b>241,684</b>	<b>7,000,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,566,556</b>	<b>\$ 324,837</b>	<b>\$ 338,328</b>	<b>\$ 498,680</b>	<b>\$ (49,510)</b>	<b>\$ (670,485)</b>	<b>\$ (397,117)</b>	<b>\$ 19,737</b>	<b>\$ 496,765</b>	<b>\$ 2,429,218</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.3%</b>	<b>5.5%</b>	<b>5.8%</b>	<b>5.9%</b>	<b>7.4%</b>	<b>7.6%</b>	<b>11.1%</b>	<b>13.6%</b>	<b>14.0%</b>	<b>10.1%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>INTEREST ON INVESTMENTS</u>	<u>MISCELLANEOUS</u>	<u>TUITION</u>	<u>TOTAL</u>
2020	\$ 62,237	\$ 296,111	\$ 24,359	\$ 382,707
2019	40,880	433,244	246,033	720,157
2018	4,694	275,093	116,969	396,756
2017	7,097	508,173	141,816	657,086
2016	4,701	611,556	94,030	710,287
2019	6,421	423,151	113,187	542,759
2014	7,907	268,305	80,659	356,871
2013	7,907	73,648	27,045	108,600
2012	27,328	111,760	27,449	166,537
2011	60,793	29,628	10,408	100,829

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.

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

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2020	\$14,047,900	\$ 1,116,587,800	\$ 20,496,900	\$ 1,678,900	\$ 133,073,500	\$ 64,337,623	\$ 29,091,200	\$ 1,379,313,823	\$1,882,105	\$ 1,379,313,823	1.614	\$ 1,381,195,928
2019	12,351,900	1,115,666,300	19,978,000	1,880,340	131,763,500	64,227,623	29,091,200	1,374,958,863	1,903,184	1,376,862,047	1.581	1,378,869,924
2018	12,629,500	1,114,412,500	20,737,800	1,886,440	132,281,700	65,927,600	29,091,200	1,376,966,740	1,903,184	1,378,869,924	1.545	1,378,869,924
2017	12,824,500	1,119,987,200	19,457,100	1,886,140	132,703,400	65,927,623	29,091,200	1,381,877,163	1,883,508	1,383,760,671	1.491	1,359,561,595
2016	13,099,100	1,126,496,400	19,155,300	1,898,170	132,408,200	66,027,623	29,091,200	1,388,175,993	1,903,008	1,390,079,001	1.442	1,325,005,976
2019	9,972,300	1,130,249,300	19,771,000	1,983,400	132,675,900	65,632,623	29,091,200	1,389,375,723	1,997,273	1,391,372,996	1.417	1,396,504,323
2014	10,798,700	1,153,722,800	20,915,900	1,948,180	134,718,400	64,115,823	29,352,400	1,389,375,723	1,945,138	1,387,430,585	1.389	1,420,703,445
2013	10,631,900	1,168,180,400	20,715,800	2,446,300	134,628,400	63,115,823	29,352,400	1,415,572,203	1,838,276	1,413,733,927	1.364	1,539,364,038
2012	11,087,100	1,180,483,600	20,403,100	2,002,800	132,617,800	63,115,823	28,954,400	1,429,071,023	2,001,088	1,427,069,935	1.309	1,445,922,334
2011	11,698,400	1,187,781,700	20,484,200	1,902,800	131,564,300	64,304,600	28,954,400	1,438,664,623	2,285,933	1,436,378,690	1.301	1,523,480,241

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

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

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	LUMBERTON TOWNSHIP	MUNICIPAL OPEN SPACE	BURLINGTON COUNTY		
2020	1.111	0.503	1.614	0.389	0.010	0.351	2.364	
2019	1.113	0.468	1.581	0.400	0.010	0.399	2.390	
2018	1.082	0.463	1.545	0.405	0.010	0.389	2.349	
2017	1.061	0.430	1.491	0.411	0.010	0.398	2.310	
2016	1.023	0.419	1.442	0.421	0.010	0.387	2.260	
2015	1.019	0.398	1.417	0.416	0.010	0.400	2.243	
2014	0.997	0.392	1.389	0.365	0.010	0.378	2.142	
2013	0.974	0.390	1.364	0.348	0.010	0.406	2.128	
2012	0.951	0.358	1.309	0.331	0.010	0.381	2.031	
2011	0.947	0.354	1.301	0.314	0.009	0.400	2.024	

Source: Municipal Tax Collector



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

TAXPAYER	2020		
	TAXABLE ASSESSED <u>VALUE</u>	RANK <u>(OPTIONAL)</u>	% OF TOTAL DISTRICT NET ASSESSED <u>VALUE</u>
	CVS New York	\$ 31,950,000	1
The Estaugh	29,812,800	2	2.16%
Whitehall Apartments Association	12,900,000	3	0.94%
BF Saul Holdings LTD Partnership	12,000,000	4	0.87%
Newman Development Group of Hainesport	10,354,400	5	0.75%
Wal-Mart	10,116,600	6	0.73%
Mt. Holly By-Pass LLC	8,814,600	7	0.64%
East Coast Lumberton Apartments, LLC	8,400,000	8	0.61%
Evergreen I Associates, LLC	7,000,000	9	0.51%
100 Mt. Holly By-Pass LLC	6,000,000	10	0.43%
Total	\$ 137,348,400		9.96%

2011		
TAXABLE ASSESSED VALUE	RANK <u>(OPTIONAL)</u>	% OF TOTAL DISTRICT NET ASSESSED VALUE

**INFORMATION CURRENTLY UNAVAILABLE**

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2020	\$ 15,315,689	\$ 15,315,689	100.00%
2019	14,913,321	14,913,321	100.00%
2018	14,687,624	14,687,624	100.00%
2017	14,209,132	14,209,132	100.00%
2016	14,166,759	14,166,759	100.00%
2019	13,827,457	13,827,457	100.00%
2014	14,139,871	14,139,871	100.00%
2013	13,944,946	13,944,946	100.00%
2012	13,711,091	13,711,091	100.00%
2011	13,711,091	13,711,091	100.00%

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

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

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2020	\$ 8,086,000	\$ -	\$	8,086,000	N/A
2019	4,570,000	-		4,570,000	N/A
2018	5,890,000	-		5,890,000	482.59
2017	7,175,000	36,119		7,211,119	590.16
2016	8,420,000	71,482		8,491,482	692.79
2015	10,165,000	156,881		10,321,881	836.46
2014	11,905,000	240,176		12,145,176	978.42
2013	14,415,000	148,234		14,563,234	1,170.11
2012	17,455,000	194,988		17,649,988	1,410.31
2011	20,295,000	-		20,295,000	1,619.32

### Debt Capacity Information

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

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

FISCAL YEAR ENDED <u>JUNE 30.</u>	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF <u>PROPERTY</u>	<u>PER CAPITA</u>
	GENERAL OBLIGATION <u>BONDS</u>	<u>DEDUCTIONS</u>	NET GENERAL BONDED DEBT <u>OUTSTANDING</u>		
2020	\$ 8,086,000	\$ -	\$ 8,086,000	0.59%	N/A
2019	4,570,000	-	\$ 4,570,000	0.33%	N/A
2018	5,890,000	-	5,890,000	0.43%	482.59
2017	7,175,000	-	7,175,000	0.52%	587.20
2016	8,420,000	-	8,420,000	0.61%	686.95
2019	10,165,000	-	10,165,000	0.73%	823.74
2014	11,905,000	-	11,905,000	0.86%	959.08
2013	14,415,000	-	14,415,000	1.04%	1,158.20
2012	17,455,000	-	17,455,000	1.23%	1,394.73
2011	20,295,000	-	20,295,000	1.42%	1,619.32

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2019**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lumberton Township	\$ 9,451,000	100.00%	\$ 9,451,000
Burlington County	269,032,501	3.111%	8,369,811
Rancocas Valley Regional High School	12,793,000	31.000%	3,965,830
Subtotal, Overlapping Debt			21,786,641
Lumberton Township Board of Education			8,086,000
Total Direct & Overlapping Debt			<u>\$ 29,872,641</u>

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

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 41,437,747	\$ 41,014,834	\$ 40,699,634	\$ 40,580,720	\$ 40,292,510	\$ 42,134,075	\$ 43,246,946	\$ 43,190,454	\$ 44,084,444	\$ 45,071,339
Total Net Debt Applicable to Limit	8,086,000	4,570,000	5,890,000	7,175,000	8,425,000	11,905,000	14,415,000	17,455,000	20,295,000	15,725,000
Legal Debt Margin	\$ 33,351,747	\$ 36,444,834	\$ 34,809,634	\$ 31,872,510	\$ 33,709,075	\$ 31,341,946	\$ 28,775,454	\$ 26,629,444	\$ 24,776,339	\$ 29,953,901
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.51%	11.14%	14.47%	17.68%	20.00%	27.53%	33.38%	39.59%	45.03%	34.43%

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

Equalized Valuation Basis	
2019	\$ 1,404,217,815
2018	\$ 1,379,696,600
2017	\$ 1,359,860,280
	<u>\$ 4,143,774,695</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,381,258,232</u>
Debt Limit (3 % of Average Equalization Value) Net Bonded School Debt	<u>\$ 41,437,747</u> <u>8,086,000</u>
Legal Debt Margin	<u>\$ 33,351,747</u>

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

## Demographic and Economic Information

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

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

<u>FISCAL YEAR</u>	<u>POPULATION</u>	BURLINGTON COUNTY <u>PER CAPITA INCOME</u>	<u>UNEMPLOYMENT RATE</u>
2020	12,227	N/A	N/A
2019	12,192	44,820	3.30%
2018	12,205	N/A	4.00%
2017	12,219	59,659	4.60%
2016	12,257	57,469	5.00%
2010	12,340	56,020	6.50%
2014	12,413	53,489	8.00%
2013	12,446	51,496	8.80%
2012	12,515	51,022	8.50%
2011	12,533	49,971	9.20%

Source: NJ Dept of Labor and Workforce Development

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

	<u>2020</u>	<u>2011</u>
	<u>EMPLOYEES</u>	<u>EMPLOYEES</u>
CVS Corporation	1,364	N/A
Lumberton Township School District	203	N/A
Total	<u>1,567</u>	<u>N/A</u>

Source: Burlington County Economic Development

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

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## 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.

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LUMBERTON TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2020	1,172	\$ 25,099,359	\$ 21,416	4.65%	120	10.33	1,175	1,125	-3.85%	95.74%
2019	1,239	25,355,721	20,465	0.44%	114	10.87/1	1,222	1,167	-2.40%	95.50%
2018	1,260	25,671,804	20,374	14.15%	124	10.10/1	1,252	1,197	-7.05%	95.61%
2017	1,355	24,524,154	17,849	13.77%	126	10.75/1	1,347	1,289	-6.83%	95.64%
2016	1,374	23,548,402	15,688	1.50%	122	11.26/1	1,377	1,317	-1.27%	95.94%
2015	1,501	23,077,525	15,457	6.18%	127	11.82/1	1,478	1,418	-2.22%	96.19%
2014	1,493	22,272,350	14,557	13.58%	132	11.31/1	1,497	1,440	-6.70%	96.08%
2013	1,530	21,031,912	12,817	2.65%	122	12.54/1	1,531	1,471	-1.44%	96.77%
2012	1,641	20,800,912	12,486	-3.67%	142	11.55/1	1,641	1,588	-1.36%	95.86%
2011	1,666	21,864,979	12,961	2.95%	131	12.72/1	1,665	1,596	-1.06%	95.79%

Sources: District records

Note: Enrollment based on annual October district count.

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Elementary Schools:</b>										
<b>Bobby's Run School:</b>										
Square Feet	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110
Capacity (Students)	415	415	415	415	415	415	415	415	415	415
Enrollment	365	268	290	314	333	336	337	329	361	386
<b>Florence L. Walther School:</b>										
Square Feet	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment	335	239	226	217	256	302	293	316	359	350
<b>Ashbrook School:</b>										
Square Feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300
Capacity (Students)	402	402	402	402	402	402	402	402	402	402
Enrollment	0	217	237	271	271	297	326	324	349	350
<b>Middle School:</b>										
<b>Lumberton Middle School:</b>										
Square Feet	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106
Capacity (Students)	634	634	634	634	634	634	634	634	634	634
Enrollment	476	505	507	532	514	566	537	561	572	580

Number of Schools at June 30, 2020:  
 Elementary = 2  
 Middle School = 1

Source: District Facilities Office

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

SCHOOL FACILITIES	PROJECT #	FISCAL YEAR ENDING JUNE 30,									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bobby's Run School	Required Maintenance	\$ 71,588	\$ 109,412	\$ 80,843	\$ 55,318	\$ 49,562	\$ 54,304	\$ 39,750	\$ 45,329	\$ 52,417	\$ 26,053
Lumberton Middle School	Required Maintenance	106,728	51,375	74,664	74,536	72,331	88,710	67,935	63,790	64,410	40,847
Florence L. Walther School	Required Maintenance	64,366	35,095	33,560	48,147	38,752	41,350	23,984	44,590	38,786	35,267
Ashbrook School	Required Maintenance	62,439	23,750	28,686	30,943	29,334	25,696	27,045	34,936	37,024	23,366
District-Wide Items	Required Maintenance	-	-	2,556	-	-	2,792	3,356	3,606	6,963	-
<b>Total</b>		<b>\$ 305,122</b>	<b>\$ 219,632</b>	<b>\$ 220,309</b>	<b>\$ 189,979</b>	<b>\$ 212,852</b>	<b>\$ 162,070</b>	<b>\$ 192,251</b>	<b>\$ 199,600</b>	<b>\$ 125,533</b>	<b>\$ 142,787</b>

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

Source: District records

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2020**

	COVERAGE	DEDUCTIBLE
<b>Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):</b>		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	\$ 250,000	\$ 500
General Liability / Auto Liability	250,000	
Educators Legal Liability	175,000	
Workers Compensation	250,000	
Crime	250,000	500
Boiler and Machinery	5,000,000	1,000
Pollution Liability	100,000	25,000
Cyber Liability	2,000,000	
<b>School Pool For Excess Liability Limits</b>		
Property / Inland Marine /		
Automobile Physical Damages (per occurrence)	175,000,000	
Crime	249,500	
Workers Compensation	Statutory	
Employers Liability	800,000	
General Liability / Auto Liability	19,750,000	
Educators' Legal Liability	19,750,000	
Boiler and Machinery	125,000,000	1,000
Pollution Liability	3,000,000	25,000
Cyber Liability	1,000,000	25,000
Violent Malicious Acts	1,000,000	15,000
Disaster Management Services	2,000,000	15,000
<b>Selective Insurance Company of America</b>		
Surety - Board Secretary	300,000	

Source: District Records



**SINGLE AUDIT SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Lumberton Township School District's basic financial statements, and have issued our report thereon dated January 25, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lumberton Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lumberton Township School District's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lumberton Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

## **Purpose of this Report**

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

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC**

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 25, 2021



**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

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

We have audited the Lumberton Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2020. The Lumberton Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

618 Stokes Road, Medford, NJ 08055

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[www.hmacpainc.com](http://www.hmacpainc.com)

## Opinion on Each Major Federal and State Program

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

## Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**

David T. McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
January 25, 2021

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEAR BALANCES	ADJUSTMENTS	BALANCE, JUNE 30, 2020	
												(ACCOUNTS RECEIVABLE)	(DUE TO GRANTOR)
													UNEARNED REVENUE
<b>U.S. Department of Health and Human Services</b>													
Passed Through New Jersey Department of Human Services: Medical Assistance Program (SEM)	93.778	2005NJSMAP	100-054-7540-211	\$ 34,120	7/1/19-6/30/20	\$ -	\$ 34,120	\$ (34,120)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Medical Assistance Program (SEM)							\$ 34,120	\$ (34,120)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total U.S. Department of Health and Human Services</b>							\$ 34,120	\$ (34,120)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>U.S. Department of Agriculture</b>													
Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster:													
School Breakfast Program	10.553	201NJ304N1099	100-010-3350-028	34,107	7/1/19-6/30/20	-	34,107	(34,107)	-	-	-	-	-
COVID-19 School Breakfast Program	10.553	201NJ304N1099	100-010-3350-100	46,957	3/13/20-6/30/20	-	34,100	(46,957)	-	-	(12,857)	-	-
School Breakfast Program	10.553	191NJ304N1099	100-010-3350-028	38,357	7/1/18-6/30/19	0.336	3,336	-	-	-	-	-	-
						0.336	71,543	(81,064)	-	-	(12,857)	-	-
National School Lunch Program	10.555	201NJ304N1099	100-010-3350-026	110,136	7/1/19-6/30/20	-	110,136	(110,136)	-	-	-	-	-
COVID-19 National School Lunch Program	10.555	201NJ304N1099	100-010-3350-098	72,783	3/13/20-6/30/20	-	52,855	(72,783)	-	-	(19,928)	-	-
National School Lunch Program	10.555	191NJ304N1099	100-010-3350-026	145,940	7/1/18-6/30/19	(10,933)	10,933	-	-	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	201NJ304N1099	100-010-3350-026	4,699	7/1/19-6/30/20	-	4,699	(4,699)	-	-	-	-	-
COVID-19 Healthy Hunger-Free Kids Act	10.555	201NJ304N1099	100-010-3350-098	1,494	3/13/20-6/30/20	-	1,085	(1,494)	-	-	(409)	-	-
Healthy Hunger-Free Kids Act	10.555	191NJ304N1099	100-010-3350-026	6,025	7/1/18-6/30/19	(462)	462	-	-	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	201NJ304N1099	Unavailable	51,656	7/1/19-6/30/20	(11,395)	231,826	(240,768)	-	-	(20,337)	-	-
Special Milk Program for Children	10.556	201NJ304N1099	100-010-3350-027	68	7/1/19-6/30/20	-	68	(68)	-	-	-	-	-
Special Milk Program for Children	10.556	191NJ304N1099	100-010-3350-027	338	7/1/18-6/30/19	(34)	34	-	-	-	-	-	-
						(34)	102	(68)	-	-	-	-	-
Total Child Nutrition Cluster						(14,765)	303,471	(321,900)	-	-	(33,194)	-	-
<b>Total U.S. Department of Agriculture</b>						(14,765)	303,471	(321,900)	-	-	(33,194)	-	-
<b>U.S. Department of Education</b>													
Passed Through New Jersey Department of Education: L.D.E.A., Part B (Special Education Cluster)													
Basic	84.027	H027A190100	100-034-5065-016	325,162	7/1/19-6/30/20	-	314,932	(325,162)	-	-	(10,230)	-	-
Basic	84.027	H027A180100	100-034-5065-016	329,743	7/1/18-6/30/19	(46,468)	46,468	-	-	-	-	-	-
						(46,468)	361,400	(325,162)	-	-	(10,230)	-	-
Preschool	84.173	H173A190114	100-034-5065-020	29,148	7/1/19-6/30/20	-	15,141	(15,141)	-	-	-	-	-
Total Special Education Cluster						(46,468)	376,541	(340,303)	-	-	(10,230)	-	-
Title I - Part A	84.010	S010A190030	100-034-5064-194	156,339	7/1/19-6/30/20	-	104,591	(148,339)	-	-	(43,748)	-	-
Title I - Part A	84.010	S010A180030	100-034-5064-194	158,539	7/1/18-6/30/19	(47,037)	47,037	-	-	-	-	-	-
						(47,037)	151,628	(148,339)	-	-	(43,748)	-	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A190029	100-034-5063-290	33,042	7/1/19-6/30/20	-	24,615	(31,042)	-	-	(6,427)	-	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A180029	100-034-5063-290	37,165	7/1/18-6/30/19	(1,341)	1,341	-	-	-	-	-	-
						(1,341)	25,956	(31,042)	-	-	(6,427)	-	-
Title III - English Language Acquisition	84.365	S365A190030	100-034-5063-290	1,938	7/1/19-6/30/20	-	1,852	(2,097)	-	-	(245)	-	-
Title III - English Language Acquisition	84.365	S365A180030	100-034-5063-290	1,345	7/1/18-6/30/19	(1,143)	1,143	-	-	-	-	-	-
						(1,143)	2,995	(2,097)	-	-	(245)	-	-
Title IV - ESSA	84.424	S424190031	100-034-5063-348	10,000	7/1/19-6/30/20	-	10,000	(10,000)	-	-	-	-	-
<b>Total U.S. Department of Education</b>						(95,989)	567,120	(531,781)	-	-	(60,650)	-	-
<b>Total Expenditures of Federal Awards</b>						\$ (110,754)	\$ 904,711	\$ (887,801)	\$ -	\$ -	\$ (93,844)	\$ -	\$ -

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2019	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENT	MEMO		
										BALANCE, JUNE 30, 2020 ACCOUNTS RECEIVABLE	UNEARNED REVENUE	BUDGETARY RECEIVABLE
<b>New Jersey Department of Education:</b>												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 6,478,048	7/1/19-6/30/20	\$ -	\$ -	6,478,048	(6,478,048)	\$ -	\$ -	\$ -	605,994	\$ 6,478,048
Security Aid	495-034-5120-084	176,844	7/1/19-6/30/20	-	-	176,844	(176,844)	-	-	-	16,543	176,844
Special Education Categorical Aid	495-034-5120-089	906,745	7/1/19-6/30/20	-	-	906,745	(906,745)	-	-	-	84,822	906,745
Total State Aid Public						7,561,637	(7,561,637)	-	-	-	707,359	7,561,637
Transportation Aid	495-034-5120-014	73,845	7/1/19-6/30/20	-	-	73,845	(73,845)	-	-	-	6,908	73,845
Additional Nonpublic School Transportation Aid	495-034-5120-014	6,661	7/1/19-6/30/20	-	-	-	(6,661)	-	-	-	-	6,661
Additional Nonpublic School Transportation Aid	495-034-5120-014	21,123	7/1/18-6/30/19	(21,123)	-	21,123	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	168,247	7/1/19-6/30/20	-	-	-	(168,247)	-	-	-	-	168,247
Extraordinary Aid	495-034-5120-044	138,706	7/1/18-6/30/19	(138,706)	-	138,706	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	100-034-5094-003	685,456	7/1/19-6/30/20	-	-	653,594	(685,456)	-	-	-	-	685,456
Reimbursed TPAF Social Security Contributions	100-034-5094-003	684,500	7/1/18-6/30/19	(63,831)	-	63,831	-	-	-	-	-	-
TPAF - Post Retirement	495-034-5094-001	767,460	7/1/19-6/30/20	-	-	767,460	(767,460)	-	-	-	-	767,460
TPAF - Pension	495-034-5094-002	2,068,728	7/1/19-6/30/20	-	-	2,068,728	(2,068,728)	-	-	-	-	2,068,728
TPAF - Long-Term Disability	495-034-5094-004	704	7/1/19-6/30/20	-	-	704	(704)	-	-	-	-	704
Insurance (Noncash Assistance)				(223,660)	-	11,349,628	(11,332,738)	-	-	(206,770)	714,267	11,332,738
Total General Fund						548,393	(548,393)	-	-	-	-	548,393
Debt Service Fund:												
Debt Service Aid Type II	495-034-5120-075	548,393	7/1/19-6/30/20	-	-	548,393	(548,393)	-	-	-	-	548,393
Total Debt Service Fund						548,393	(548,393)	-	-	-	-	548,393
<b>New Jersey Department of Agriculture:</b>												
Enterprise Fund:												
National School Lunch Program	100-010-3350-023	5,931	7/1/19-6/30/20	-	-	4,357	(5,931)	-	-	(1,574)	-	5,931
National School Lunch Program	100-010-3350-023	5,217	7/1/18-6/30/19	(400)	-	400	-	-	-	-	-	-
Total Enterprise Fund				(400)	-	4,757	(5,931)	-	-	(1,574)	-	5,931
<b>Total State Financial Assistance</b>				<b>\$ (224,060)</b>	<b>\$ -</b>	<b>\$ 11,902,778</b>	<b>\$ (11,887,062)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (208,344)</b>	<b>\$ -</b>	<b>\$ 11,887,062</b>

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



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Lumberton Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$46,568 for the general fund and \$(205) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 34,120	\$ 11,379,306	\$ 11,413,426
Special Revenue Fund	531,576	-	531,576
Debt Service Fund	-	548,393	548,393
Food Service Fund	321,900	5,931	327,831
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 887,596</u>	<u>\$ 11,933,630</u>	<u>\$ 12,821,226</u>

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

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

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

The Lumberton Township School District had no loan balances outstanding at June 30, 2020.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?      yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>201NJ304N1099</u>	<u>Child Nutrition Cluster:</u>
<u>10.555</u>	<u>201NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.556</u>	<u>201NJ304N1099</u>	<u>National Lunch Program</u>
<u>    </u>	<u>    </u>	<u>Special Milk Program for Children</u>
<u>    </u>	<u>    </u>	<u>    </u>
<u>    </u>	<u>    </u>	<u>    </u>

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

Auditee qualified as low-risk auditee?   X   yes      no

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**State Financial Assistance**

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

Auditee qualified as low-risk auditee?  yes  no

Internal control over major programs:

1) Material weakness(es) identified?  yes  no

2) Significant deficiency(ies) identified?  yes  no

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

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

Identification of major programs:

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

**Name of State Program**

495-034-5120-078	State Aid - Public:
495-034-5120-084	Equalization Aid
495-034-5120-089	Categorical Security Aid
	Categorical Special Education Aid

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section II – Financial Statement Findings**

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

None.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE**

None.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.